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Interviews with  
Malcolm McGregor  
August, 1965

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Interviewer: T. B. Brewer

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ORAL HISTORY COLLECTION

MR. MALCOLM McGREGOR

AUGUST, 1965

INTERVIEWER: DR. THOMAS BREWER

A series of interviews with former legislator Malcolm McGregor made in El Paso in August, 1965. Interviewer, Dr. Thomas B. Brewer.

Dr. Brewer: How did your interest in politics begin? What made you want to go to the legislature?

Mr. McGregor: I was raised in a ranching family. We had ranches in southern New Mexico and West Texas and my father died--I had intended while I was at A and M--I went to Texas A and M and got a Bachelor of Science degree in Agricultural Engineering, and I really got interested in engineering there and intended to go another year and become a civil engineer and work in engineering before I went back to ranching. So my father died my last year at A and M. So I went directly to the ranch and started working for about a year before I was inducted in the Army. Actually, I went in as a Second Lieutenant. I served two years in the 82nd Airborne Division, and while there I got to know a lot of these boys from Princeton. By some strange coincidence, they sent a lot of Princeton graduates there, and most of them were going back to the Harvard Law School. So in the back of my mind I had just got the idea of going back to school. During this period of time, the Army was negotiating to purchase our ranch as part of the McGregor range out here. So when

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I got out of the service in '53, the Army at that time was winding up the purchase, and we were taking the cattle off. And so I took a good deal of the cattle and fed them out, and the Army took the ranch; and, during this period of time when I was feeding these cattle out, I started reading in a good deal of current magazines on politics. I had the idea of going back to school in the back of my mind anyway, and I became very interested in current affairs and in politics, and there was an opening here in the local political picture, and opening for one of the state legislative races which I knew any person who ran would probably win it.

Brewer: Why was that?

McGregor: Well, they had a woman in the polling office named Anita Blair, and she was a blind woman and I've since got to know Anita and like her, but she had a certain amount of bitterness that came from the blindness. She wasn't blind until she was, I think, almost eighteen or nineteen or something like that, but it had a way of embittering her to other people, and she had created a lot of animosity both in the town and among her colleagues in the legislature, which gave her a terrible image. And so I ran for that vacancy, ran for that office, and defeated her. And so I was elected to the legislature. At that time we didn't have Republican November elections to speak of. At that time we really had monolithic politics. This was 1954. So I was elected to the legislature in May of '54, and I finished feeding my cattle out and sold all them, and the Army had already taken the ranch.

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Brewer: Did you have opposition in 1954 in the primary?

McGregor: Just against her.

Brewer: Just against her?

McGregor: But I defeated her. Then in that race, Frank Owen was elected State Senator and no, no, sequence of events. Slick Rutherford, who was the State Senator was elected to Congress. He beat Ken Reagan which made the State Senate seat vacant. So then Frank Owen turned around and ran for the State Senate, and he was elected, which then threw his legislative post open. And then Richard White ran for this legislative post, and Anita Blair ran against him, and he defeated her and another opponent in that special election. Richard is now--I ran against Richard for Congress this last time....He defeated me. So then I started law school in September of '54. So I was both in the legislature and in law school the first session.

Brewer: I note last night that you mentioned your grandfather had been in the legislature.

McGregor: Under Governor Hogg.

Brewer: Do you think this had any part in conditioning you for politics? Some sort of family tradition?

McGregor: Not really. He was quite a politician. He was elected to the legislature in '91 or '95, and he served for one term and then he ran for Mayor of Houston about the turn of the century and was defeated. But he was, he was so old when I was growing up and none of his sons took to politics at all. I don't, I really don't know how I got interested except I started reading those Time,



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Newsweek, and U. S. News and World Report Magazines every week.

And all of a sudden I ran.

Brewer: How would you describe your political position? And why do you think you arrived at this position?

McGregor: Well, when I first got into politics, I really didn't have a political position and was not aware of any conservative, liberal ideologies as such. I had never even had a history course in college. But I was elected basically with conservative support my first race. My family has always been prominent here in El Paso and I had complete conservative support. TMA, "Red Letter Candidate" and all that sort of thing. My father was always a very broad, open-minded person and he had always supported Roosevelt in all of his campaigns, although I mean he wasn't committed in any place, he was just, just open, and so I went to the legislature of the same way, just completely open to whatever might....might happen. And my first session, of course, was Shivers' last session, and the conservative control of the legislature was so strong that the liberals down there were just a handful, and they in no way aroused in me any deep feeling of kinship to them or anything else. I was in law school trying to go to school. I took a full load trying to be in the legislature, too. I had some good committee assignments, so I didn't really, I wasn't aware of all the little nuisance that go with it. And I just generally was there trying to get things done. I suppose in the same sense that you identify Johnson's position over the years, so that I would vote for instance

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for taxes on gas but after my amendments were defeated, I would vote for the bill, which was the Governor's bill, with the idea being that to make a good faith effort to do what I thought right, then to vote then to keep the Legislative thing moving; so that the end of that first session, I think my overall record was a little bit on the conservative side of middle of the road. But pretty middle of the road. And then as each session went on, I became increasingly more liberal according to the different rating sheets.

Brewer: Do you think this was just a normal transition? You can't trace it to anything, being influenced by people in the legislature or outside the legislature?

McGregor: Well, it wasn't, it wasn't so much being influenced, of course I was going to law school at the same time, and I was reading--I've always read a great deal--but I was reading more and more on my own. And gradually my position became sort of that of a liberal in the sense of John Stuart Mill, sort of whatever promotes the most welfare for the most people, and in law school I became interested in labor law and in torts. Personal injury from the standpoint of one of the injured plaintiffs and became influenced, I suppose, to some extent by Dean Green but just generally taking that position, and in the legislature a position more and more evolved was that you are really sent down there to solve social problems and the problems that exist in society are those that exist on the bottom. I mean the rich people don't have any

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problems within the broad spectrum of problems that require government action, so you are always down there trying to make a better deal for the unemployed worker, the injured worker, you're trying to get welfare programs of various kinds to help the disabled, the blind, do something for the mentally ill and mentally retarded and the tubercular, and these are all a problem. And as you work with this problem you more or less--you more or less take on the same kind of a stance, I think, that Johnson has taken on nationally today. And it--it is one way of being forced into the position intellectually that no matter what field you are in, if you are the scientist, if you are the person who is really making a name, it's because you are doing new things, you're making new discoveries. I mean you never make the history books being a conservative unless you stopped the revolution. But the point is, no matter what area you're in, you go--it's going forward that is important. It's the discovery of new things. This, of course, is the liberal position that you are always changing, and you're always trying to make a better world; and it's just this simple.

Brewer: How did this affect your relations at home as you grew increasingly liberal?

McGregor: Oh, they became increasingly more strained. There were a lot of other sides that created local situations that were naturally.... because part of the delegation was conservative, and stayed tied in very closely to the business community, this offered a continual wedge between me and them--my success in the legislature created

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animosity. Their close connections with the business community gave them the opportunity, of course, of driving a wedge between myself and the business community. I did pretty well keeping good relations, under the circumstances, considering how liberal I finally became to be considered, but it was a--just a source of continual friction.

Brewer: Did this have any effect on your campaign funds?

McGregor: Well, I....you see I never had an opponent after the first session except a Republican opponent, and I never spent a penny on campaigns. I spent the last November campaign--I spent five dollars; I think, for some kind of fund raising thing. So I never had an opponent except a Republican opponent, twice; the same guy ran against me twice. And I spent no money in either campaign to beat him decisively. Now when I ran for Congress, of course, it had great impact.

Brewer: Did you find your relations with, say labor, organized labor, in El Paso becoming better?

McGregor: Oh, certainly, I mean, as I became increasingly close to them. But, of course, organized labor is just not, not a true factor in political power locally, or anywhere in the state, with the possible exception of Houston and the Gulf Coast. But they're not organized sufficiently to effectively raise money or effectively supply people. Now they worked hard for me in my campaign, and they were very helpful, but the truth of the matter is that the manpower and the spirit and impetus came out of people that were devoted to me--this is my congressional campaign--and did not arrive out of organized labor.

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Brewer: What--how would you characterize the liberal position in the Texas Legislature? Is there a block of liberal votes or does each liberal tend to go his own way?

McGregor: The position is confused. You see, so much depends upon where power is. When Shivers was in power in my last session, the liberals, probably the hard liberal core, wasn't over ten or eleven members. When Daniel got elected, Daniel became increasingly hostile to the really big powerful lobbies. And as he tried more and more to be, in a sense, to be a populist Governor--to raise money without a sales tax, to satisfy state needs, you see, it became an extremely difficult juggling job, but he alienated more and more of the truly powerful lobbies. He alienated the oil and gas industry over his stand on the severance beneficiary tax. He alienated the bankers with his escheat bill. He was active in the area of insurance regulation, and, of course, they were hostile to some extent to his escheat bill, too. But he gradually became more and more a truly independent figure that deeply understood the Texas voters in the same sense that Yarborough understands them. Well, as this condition developed, it became possible for more and more people to be more and more liberal. So finally the liberal, the liberal vote, I mean a pretty hard vote that you could count on, probably rose as high as to forty-five--to maybe even fifty members.

Brewer: You mean that there are a certain number of members in the legislature that will become more liberal or more conservative depending

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upon what they think they can do without losing votes at home?

McGregor: Well, this is--this is a reality, and it is hard sense. If you had a strong liberal administration with a liberal speaker, you would have a majority vote for liberal measures. But you see each legislator has a....has a whole spectrum of aims and aspirations. But his personal welfare ranks very high in this spectrum. And if his committee appointments depend upon his ability to get along and then his ability to get his bills through, his standing back in his community, the kind of parties and the kind of entertainment and the kind of people that cater to him in Austin, all these things are tied up into what he ultimately becomes. You can take a person with no more ideology than a bat, if he gets down there and he can advance personally through one ideology or the other, this is the course he is going to take. Now if you take a hard ruthless administration like Senterfitt under Shivers and like Tunnell of late, where liberalism is just used to chop him to pieces, both with his people at home, with his colleagues in the legislature, and with his social contracts in Austin. When it gets very expensive to be ideological, you'll find few of them meeting this test. And this is....this is....this can work the same way for conservatives.

Brewer: How did....were you affected personally by this, under Tunnell?

McGregor: Well, I was affected, of course personally, always. I mean my first committee appointments, the appointment to the Appropriations Committee, during my first session was based, of course, upon my

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being a conservative, and being vouched for as being conservative. Now my appointment to the Appropriations Committee the second and third time were principally because I had supported Waggoner Carr and worked hard for him in his races for speaker. Then when Turman, of course, was elected, he owed his entire election to the strong liberal support and the hard work that liberals had done. Yet, Tunnell, I mean Turman, was very very conscious of trying to project a moderate, middle of the road image. So he was very careful to make his crucial committee appointments from those that had this kind of reputation. He appointed Hollowell Chairman of State Affairs. Well, Hollowell, of course, is erratic and is not noted for being liberal. Cotten, of course, got appropriations and if Cotten hadn't of got it, a middle of the roader or conservative would have gotten it. But so that the point is that by being where I was, it was impossible for a true liberal to be elected speaker. Jamison had that reputation, although he tried to get out from under it. But he couldn't possibly be elected speaker with as liberal an image as he had. So you had to have a middle of the roader and in....in the tie-up that made Turman's election possible, it had to be an East Texan. So that never could a really strong liberal get a major committee assignment, because it wasn't a part of the power structure that made the speaker's election possible. Now, getting to--to Tunnell in particular, Tunnell had laid a very careful predicate. Now he didn't make the mistake that Turman made. He made his committee appointments much better than Turman

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made his. He even appointed Eckardt to Revenue and Tax and he would have appointed me to Appropriations had I pledged him, but I would not pledge him, hoping that some fear on his part (of some kind of fight) might induce him not to change the rules--to put the old rules back in effect. We had changed the rules under Thurman to liberalize them in the sense of dissipating power from the speaker down to the more experienced members of the legislature. And I felt it real important, from an institutional point of view, that these rules should be continued. But Tunnell changed them back because he wanted to be a strong speaker, in the strongest sense of the word, and I never would pledge him hoping that it might in some way induce him to keep these rules because he could have kept them if he had wanted them, and it wouldn't have hurt his power too much, but he didn't and consequently by never pledging him, by being liberal also, he finally decided that I was going to be a thorn in his side and that he was going to have to do what he could to make me as weak as possible.

Brewer: Are there any personal, any particular instances that you can remember as you were saying, not only in your relations back home or your social relations in Austin, where, as under Tunnell, which you characterized as one of the ruthless administration on liberals, can you recall anything specifically that might have been done?

McGregor: Well, the most brutal thing that was done, of course, was what was done to this boy Lindsey Rodriguez. Lindsey, of course, was a



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relatively new member, maybe it was his second term, but Lindsey was pretty outspoken in his criticism of Tunnell. You have to remember first, before I go on, that liberalism is too broad a term to suffice. A person can be ideologically liberal or he can have no commitment but yet he strongly supported and committed to labor, which will give him the same posture roughly as if he were ideologically committed to liberalism. Or he can, the same thing on the other side of the docket, he can be a true conservative like John Allen, perhaps, or he can simply be committed to the lobby where he knows his advancement lies. I mean when I say the lobby I mean the....the major economic inetersts such as the truckers and the rails and the oil and gas, of course, and the TMA, and this will give him a conservative posture, although he had no ideological commitment. Then, of course, a guy can be in the....in the middle. But what was done to Lindsey in effect is--I've forgotten how lindsey got the wrath now, but I think it was in being outspokenly liberal and at the same time hostile to the speaker personally. And in addition, of course, he made the mistake of being a spokesman for the Latin American in the Valley, which at that time, when you had the Crystal City thing going on, created an immediate threat to his own colleagues from the Valley, who by and large were Anglo-conservatives, with the exception of Kiki De La Garza who was a Mexican Conservative. And so, Lindsey raised the threat of racism plus liberalism to them, and it was antagonistic to the speaker. But the way they got him was that he had a little non-

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contested bill that one of the colleges in his district wanted passed, and when he got up on the floor to pass that bill, which is only a simple courtesy when you have a local and uncontested bill, the speaker's forces made the pitch in opposition and just would have killed his bill outright, but we were able to get it continued for a while, and I think he was able to make peace sufficiently to get his bill passed. But, of course, this would be a dramatic indication to his people about what they could expect if they elected this kind of man to the legislature. Now the same situation arose in San Antonio. They had tremendous problems with their medical school because their delegation was hostile to the speaker and Franklin Spears was hostile to the people in the Senate. And it was only through the intervention of, I suppose, of Connally and the San Antonio business community that they were able to overcome that.

Brewer: You don't recall any instances to your personally of Tunnell doing anything because of your position?

McGregor: In a sense, of well, by not appointing me to the Appropriations Committee, and appointing another freshman member from El Paso to the Appropriations Committee, he was indicating in about as strong a way as possible you see, a cut at me.

Brewer: We start with your committee assignments in the 54th Legislature in 1955, you were appointed to appropriations as a fresman member of the house, how do you account for this?

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McGregor: Well, of course, I am, have through the years always been fond of Claude Gilmer, and he is a relative of a person who married into my family and so I, of course, advised with Claude immediately after my election, and he advised me to send a telegram to the speaker, who was Lindsey, pledging my support to him as speaker. He was already assured of re-election but the prompt showing that I was for him enhanced my position with him. And then, when I got to Austin, of course, I had to have backing from conservative elements here which indicated that I would be trustworthy on appropriations, and I was able to get the appointment. All of our delegation was new, too. But there were no experienced members.

Brewer: Well, do you think the speaker wanted some type of geographical distribution on the committee as well as ideological, or is this done on committees?

McGregor: It is done to some extent, but Lindsey actually made good committee appointments. Lindsey made as good committee appointments, I suppose, as any speaker I served under, in the sense that he truly tried to get competent people in as chairman of his committees. I believe he had Stanton Stone on Revenue and Tax as I recall, and Mr. Smith, Appropriations, and Ben Glusing, State Affairs. And all these men were capable men. And he really, now other speakers have appointed them more ruthlessly from their supporters--and Turman--this was his big mistake. All of his good committee assignments came from his supporters, and so just almost assured

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a strong alienation of the rest and created a built-in opposition to him that he just never was able to overcome. Now Tunnell, by very carefully selecting, was able to make better appointments, and not have this built-in opposition. At the same time keep control, too.

Brewer: Could some of this be accounted for by the ease or difficulty of the election for the speaker's chair?

McGregor: Well, some of it. Sure, if nobody was real crucial in the election then you got a different problem than if you just had a hard core or loyal band battling for you from the start, but in the long run it was a terrible mistake to build in that hard an opposition.

Brewer: What kind of a man was Lindsey overall? Was he a middle of the roader?

McGregor: He was, he was an enigma really. I suppose Jim looked at that time like he really had possibilities. He was so good looking, but he didn't wield the gavel in an effective way, and he followed right on the footsteps of Rueben Senterfitt who had been extremely effective on behalf of Shivers and been rather effective in opposition to Shivers, and when contrasted with Senterfitt, of course, Lindsey did not look good, but the lobby just never jumped in behind him, number one, and were never really enthusiastic about him and promoting him. Secondly, of course, there just weren't any vacancies being opened up. Will Wilson was on the scene and Price Daniel and Ralph Yarborough so that Lindsey never really got out and got that kind of support it would have taken to break into a state-wide

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race; neither did he really create a deep loyalty in the lobby that would make them want to search him out and go for him. Of course, Shivers stepped out of power at that time, but his only, his own commitment, I would say, was probably middle-of-the-road, but he was very interested in looking after his own welfare and doing what he thought would promote that, too.

Brewer: What were Lindsey's relations with Shivers?

McGregor: Well, I think they were relatively close. He....he, Lindsey carried the Governor's legislative program, and he worked with the Governor so that the speaker and the Governor were behind the legislative program for the session.

Brewer: How would you, you were there one session under Allan Shivers, what was your view of Allan Shivers as Governor?

McGregor: Well, this was, of course, my first session, and I was in the law school at the same time, and it was very hard for me to make the same kind of assessment of him that I could make of the ones after him. But, of course, he was effective in the sense that he knew, he had been in state government so long, and he understood the Senate so well and he had Ben Ramsey over there helping him, and he dominated state politics. His problems arose outside the legislative hall, and I think another thing, I think Shivers, like Connally, in a sense, has an awareness of state needs and he wanted to solve state needs, and he worked at solving them in the same way that a business man would work instead of as a politician would work. Now from a technical standpoint, in other words, where the

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major differences come between my position and Shivers, is in setting up his political base, Shivers used absolutely the most reactionary elements in each community that were interested enough in politics to participate. Shivers' base became what is now the Republicans, but also the Old Texas Regulars and the anti-Yarborough people, but what has been so interesting to me is that these were the people in each community, that were the democratic leaders under Shivers. The people that are now Republicans or who still stay in the Democratic party but support Republican national nominees. Now, under Daniel, you begin to get a break away from these people and you begin to have more and more moderate people, although many of these people were in. But these people became disillusioned with Daniel and began to drop away from him. So that Daniel's community support began to build from being a liberal or the national democratic section. But what Connally has done, and the most interesting thing of all, is that Johnson's support has always been built around middle of the road people. People that were national democrats but were effective in community action. They were neither the very liberal nor were they the very conservative. They were middle of the road pragmatic people and this is the kind of people that supported Johnson. You might say people with no deep intellectual commitment but they're pragmatic people and generally they're, they're broad-minded and national democrats. And you would have thought that Connally would have leaned to this section, and this was where the Democratic party would have been

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built, where there was a place within it for labor, a place within it for the intellectual liberal, and what not. But Connally more and more has drawn on the old Shivers people and so that the split between Connally and Yarborough has just gone deeper and deeper into the communities so that Yarborough's people more and more pull out for Connally and Connally has rejuvenated the old Shivers' people and Yarborough, the people he's always had. So it's, and the effect that this is going to have upon the Republican party is what is of such interest today.

Brewer: How would you analyze the, the effect of this on state action though Shivers is known widely as a conservative? Would you say that his actions as Governor reflected basic hard core conservatism? The same way with Connally?

McGregor: Well see, Shivers did a number of things. Shivers really started the building program in the mental institutions. When Shivers took over as Governor, the mental institutions were a disgrace. It's my understanding, they even many times had mental patients housed in county jails and that sort of thing. And he began a real intensive building program in the mental hospitals, and he initiated this effort to get an intensive treatment unit in each mental hospital, and he raised through the cigarette...by dedicating a penny of the cigarette tax to the mental hospital building fund, he assured them this fund for building, and was able during his administration really to build up at great length and improve the mental hospitals although when he got out, they're a sad

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thing, they're a sad thing today. I mean we just continue to work on. But, then of course, he always looked after the highways and made sure that they had plenty of money and fought vigorously for gasoline tax increases to make sure that they had funds to continue the improvements that they got. I believe that it was under Shivers, that we began this formula approach to higher education, and Shivers worked for a tax bill during his session. Now, the great liberal-conservative fight in that session was what kind of tax we were going to have. Shivers was going to selective sales tax approach, the old omnibus tax bill, the liberals wanted to tax natural gas and all that sort of thing, but Shivers worked to get the money for, for substantial improvements in higher education, and they were able to give pay raises and make improvements in education. So all along the line he worked for what you might call responsive conservatism. Meeting problems and doing so from the standpoint of having the business community to be the initiator and the controller of development. And this basically is the position that Connally's taken. Connally, of course, is very liberal on racial issues where Shivers was not. Shivers, of course had led the break with the national Democratic party under Truman, you know, I mean, he had broken away in '52, and so you had a lot of efforts being made to establish cross filing and that sort of thing so that the Republican could function through the Democratic party. Connally, of course, has not done this. Connally has, in his party matters, has more or less taken the different--the position



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that Republicans are to fight and that we are Democrats. Shivers said that there's no real fight between us conservative Democrats and Republicans. And that made a substantial difference, but basically Connally is trying to use the same community power sources that Shivers used. He's trying to let the business community be the leader in state government. Have them recognize problems that need solving and trying to work toward solutions to those problems.

Brewer: In your first session, one of the major problems in the 54th legislature was still the insurance scandal, the insurance investigations. Did you have any connections with this, or have any reactions to it as a freshman legislator?

McGregor: No, not really.

Brewer: Would you care to comment on the establishment of the commission on higher education and the quota?

McGregor: Well, during that session of the legislature, Ben Glusing was chairman of the sub-committee on the higher education, I mean Glusing was chairman of the sub-committee on Appropriations that handled the higher education section and in that session we tried.... we established this formula approach, even though we hadn't yet set up the commission. And we did set up a commission during that session. But I felt so strongly, and as I went more and more through the legislature, I became more strongly committed to the idea if we could just establish these uniform formulas and then get us regional colleges set up in metropolitan areas throughout

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the state, so that you had a majority of the legislators that were personally committed to a college, and then you had formulas set up so that your institutions of higher learning above these regional colleges were correctly protected. Now by that, I mean you set up your master's degrees and your doctor's degrees so that you greatly enrich your college by having these programs, and yet you build in a regulatory agency that prevents regional colleges from having them. So that the regional colleges have to operate on a straight bachelor program, then you make the legislature work like dogs then to get the minimums up so their colleges will be benefited and then if you can get these formulas written in so that your secondary and your third level colleges, based on their role and scope, are then protected by margin over and above the minimum given to the regional colleges, then you would have an automatic kind of thing that would really be based on political power. And this is what we were going toward. Now I was very pleased with the way the commission operated during the whole time I was in the legislature and was very sorry to see Connally scrap the commission. Now, maybe the new one that he has set up will just continue right on, but I saw no reason to scrap the commission after the work that they had done, and it had been effective work, in trying to really develop a uniform approach for all college education in the state.

Brewer: What about the charge that the Commission itself was politically oriented in granting new degree programs....

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McGregor: Oh, there was a certain amount of truth in it. The commission toward the end got a little loose, and they established a couple of them up in East Texas, I forget just where it was, that they had no business establishing. But you don't cut the head of a dog off to cure some defect, and if Connally wanted to, of course he had plenty of power, we could have reorganized the commission and made all new appointments; and it seems to me the commission had been an effective enough tool to warrant just renovating it rather than just scrapping it and starting over. Now, I just don't know exactly. I wasn't there, so I don't know what was on his mind when he chose to scrap it.

Brewer: In this connection, what was your position on raising college tuition in 1954 and since.

McGregor: As I recall, I supported the increase in tuition in '54. Now at that time, I was just trying to be practical, trying to do what I thought would get things done, and the figures that are available, of course, show that Texas college tuitions are very very low as based on the national average, and certainly it's an easy way of getting money by raising these tuitions from the type they use. But the longer I was in the legislature, the more convinced I became that what we needed was to reduce all tuitions instead of raising any, that we ought to just develop the concept that a kid ought to go from kindergarten through college, and this is the thing you ought to be striving for, and that you ought to go from kindergarten through college, and this is the thing you ought to

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be striving for, and that you ought to put the whole thing on a, on a completely taxpayer basis because it is something that's vital to a society, and it's just as important to have an educated people as it is to have a good road. Now, toward the last, we began more and more to think in terms of scholarship programs and that type of thing, or even some kind of concept of converting the veterans land program, you know using the same basic financing arrangement to develop a loan program so that any kid could get him a twenty-year loan based upon his anticipated cost of college. Something along this line though could give every boy and opportunity to go to college that had the intellectual equipment to go. And so I became increasingly hostile over doing anything that would in any way discourage anybody from going to college and, and I felt more and more that it was something that ought to be borne by the general taxpayer and not by the user in the sense of higher tuition.

Brewer: Then you would, perhaps though, favor selected admission from your comment, "those students intellectually equipped to go."

McGregor: Well, no, I'd like to see every kid go. Now there's no doubt that it's important, that the student bodies are as important to the learning process as the teachers, that you just don't get fine results from a bad student body any more than you get fine results from bad teachers. But there ought to be facilities in the state for handling almost any boy who wants to go. Now this doesn't mean that you let any boy into Plan II at the University of Texas or any boy into any other institution that is mainly stressing

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doing master's or doctorate work. But that there ought to be institutions of higher, of course, I'm one of these people that believe we ought to have regional technical schools, in the same way as California. Your two-year technical schools for really developing a technically qualified labor force to encourage industrialization. And I'd like to see a complete junior college program oriented around technical schools or going on into a senior college either way, you know. But, certainly, I think as a society we are coming more and more to the idea that it's desirable just to hold a person off the labor market until he gets to be twenty-two or twenty-three years old. And you're going to find the pattern in education going to five-year engineering schools and longer and longer law degrees. Of course now in New Jersey to get in law school you have to practice in a lawyer's office for a year--do an internship. I think that's more and more the pattern in all fields. The doctorate degrees are getting more lengthy and more lengthy, and so we're going to reach--within ten or fifteen years-- I think we are going to reach the proposition that it is desirable in itself to hold somebody off the labor market and continue the learning process for whatever they might absorb for some until they're twenty-two or twenty-three years old.

Brewer: Would you discuss the segregation, the race question, in the 54th and 55th legislatures in 1955 and 1957.

McGregor: Well, the 54th, of course, is when it first became obvious that there was going to be a problem. I mean, Shivers was Governor

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and the Supreme Court ruled in that year, but Shivers lent no support whatsoever to any kind of attempt to pass any segregation bill during that session and used his influence to hold them down. Of course, at this point, it wasn't obvious what, if anything, would be needed or anything else. But, as I recall, he lent no support or influence whatever to any segregationist move. Now, when we came back in the 55th and with Daniel's session, Daniel, of course, is from East Texas. He's from Liberty, I think, originally, and that's when it became a burning issue, and the segregationist forces were led by Joe Chapman and by Jerry, the land commissioner, old Jerry Sadler, and they just romped and stomped and screamed and they had them some thirteen or fourteen bills to do everything in the world from....just run the gauntlet....Evidently there must have been a package deal of them that had been gotten up down there in the deep South somewhere, and they just fired up. But they put tremendous pressure on all men of good will in East Texas. It was such an issue that everyone in the legislature is there, first because he wants to be popular, and wants to be elected, and anytime you have an issue of that kind that assures a man's defeat if he stands against it, it becomes a terrible thing to see them labor against it, so that all people were just forced into some sort of compromise. Now I'm from El Paso, and we segregated our schools before the Supreme Court decision.

Brewer: You mean integrated:

McGregor: Yes, pardon me, we integrated our schools here before the Supreme Court decision. Texas Western out here was one of the first state

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supported college to be integrated. So we don't have any problem. You have a large Latin population, which in a sense identified with racial discrimination, they suffered a lot of it out here. So, consequently, it's easy for a person from this area to do what he wants to, at least to be against, against the segregationist, and actually I voted against every segregation bill that was ever introduced and worked against them all, and there were, I guess, fifty, sixty votes over the period of time I was there. Well, in the 56th finally, there was enough of an effort made in the 1956, pardon me, 1957 session, there was enough of an effort made by the people of good will so that they held the bills down to bills that weren't "rawly racious". The old bill that allowed the placing of students according to these many tests is not on its face, unconstitutional, it's only unconstitutional when it's systematically applied against the Negro. And the other ones, of course, have later been declared unconstitutional, but they weren't.... they weren't raw in the sense that so many of them were. They had the one bill there to make the NAACP--nobody teaching school could be a member of the NAACP. They had everything in the world. And finally they were able to hold it down. But one of the things of great interest was the fact that Oscar Lorell from Laredo--very very fine speaker--and he, in the sense of being a Mexican, spoke out against segregation, and the effect of having one of your members, a member that you eat with, a member that you see, a member that you socialize with, identifying on the other side of

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the coin, you see, and having a racial reason to do so, had a great impact on that legislature, a tremendous impact. And in a sense it truly isolated the--the segregationist. Now Joe Chapman got along wonderful with all the Mexicans down there, and he wanted to get up there and romp and stomp against the Negroes, yet, because of this identification, it became increasingly embarrassing to do so. And in my opinion, it was largely because of the several Mexican members who could speak out so deeply and with such deep seated feeling because they had experienced discrimination that really brought an end to any widespread segregationist attempts in the Texas legislature. Now, of course, it soon became obvious that the government was not--of Texas--was not going to help in any way. Daniel kind of stood back away from it, kind of leaving it up to the legislature and leaving it up to local communities. And when you got this split in the communities in South Texas, Latin communities immediately abiding by the rule, going forward, the big districts beginning to move forward, it became obvious there was a split in the state that made uniform state action, in the sense of Mississippi and Alabama, the way they responded, it made it impossible for Texas to respond that way. That plus members in the legislature that personally identified with the call against discrimination, it just put a damper on the whole thing and so after that short peakout in '57 the whole thing went steadily downhill.

Now, of course, you had the other side of the coin as the



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Republicans began to become a force, starting with '57 was when they really began to be a force in Texas' politics. That was when Yarborough was elected to the Senate and they ran Thad Hutchenson, and in that election the Republicans organized the big cities, and then in the next election '59 they organized the medium-sized cities, and then in '61 and '63 they began to organize even into the rural areas. Whereas as they began pulling out, the Negro became more and more a factor in the Democratic primaries, so that you....it became essential for a serious Democratic candidate from Houston to have....to have Negro support, and he just couldn't afford to be up there screaming and hollering, and they might do it, they did it in Dallas, but the people in Ft. Worth, even though the Ft. Worth school system thought, the people in Ft. Worth felt strongly about it, in the sense they didn't integrate, and they opposed integration where it happened. Still, the Negro community was such a great factor in elections, that it made it impossible for their representatives to really speak out on behalf of segregation. So you had this real political thing going on at the grass roots. You had Latin members in the legislature speaking out, and you had the Governor and the people in the state government taking a hands-off policy which made any kind of segregationist activity after 1957 impossible.

Brewer: Do you care to say anything about the insurance investigations in the 54th legislature?

McGregor: Well, of course, the general insurance picture had just become

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atrocious. I mean, companies were folding all over and a lot of these companies were taking deposits and using them for risk speculation, like U. S. Trust and Guaranty and all that; all that came a little bit later. But it necessitated some kind of state action. But the thing that is always of such interest, and perhaps it is inevitable in the field of insurance, is that the forces of reform are used by the pressure groups within the industry to accomplish the type of legislation they want to come out with. Now by that I mean, that it's hard to keep the real big insurance companies from just sort of taking over your regulatory bodies and what not.

Now when we got into the actual area of regulation you have a whole series of problems before you. How much capital are you going to allow to develop and all this kind of thing? And so often what will start out as reform, and start out to stabilize the insurance industry, will shortly become an effort to keep out competition on the one hand and to arbitrarily set rates on the other hand so as to effectively cut competition in this area, and so the final thrust of the insurance regulations were to insure that you have to have a large company with a minimum of about \$250,000 to go into the insurance business on the one hand, and secondly that all your rates will be set by the insurance commission, which keeps us from having a so-called flexible rate insurance system. A company that wants to compete--suppose the company is big and strong and they legitimately want to compete in the insurance industry by rate competition--they can't do that in Texas. They're committed to one

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rate and a standard policy and so this....this is sort of the story frequently that the institutions of reform are very transitory while the people that are going to be there after the reform are enduring indeed, and they are going to see to it that what is written is going to benefit them, and they did in this case.

Brewer: The 54th legislature passed a tax bill providing \$50 million in revenue through the penny-a-gallon tax on gasoline and a penny tax on cigarettes and a .7¢ per bottle of beer, would you care to comment on them?

McGregor: Of course, this was the governor's tax bill. A big fight in the legislature turned on the liberal effort to cut down on the sales taxes and boost the natural resource taxes. Now, it's my understanding, that back in the special session of '54, when the teachers got their pay raise, and that pay raise was financed by increasing the severance--the severance taxes on gas. Shivers called in the gas industry at that time and told them he was going to boost it to nine--but they put it--they had it put in there in such a way that it decreased, in other words--nine--nine percent and then it went to eight and then went to seven and then went back to the regular rate. The regular rate is six or seven, I forget. So big efforts by the liberals were simply to maintain the rate that was already being paid by the natural gas people, plus trying to put in the severance beneficiary. But the governor's forces won and that tax was allowed to decrease over the years, where this tax

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went down at the same time the sales taxes continued up, but D. B. Hardeman from Denison led the fight for the liberals forces. He was very effective. D. B. was a bachelor and he really worked, worked hard at the kind of personal communication that makes any organized effort work. He would work the floor all the time and did a pretty effective job of getting everybody lined up. I worked hard to get the beer tax knocked out of that bill, and we knocked it out in the House but the Senate voted it back in, and it was in the final version.

Brewer: Why, did you have a special interest in it?

McGregor: Heatly was carrying it and wanted, he wanted to go up real high. He just wanted to tax the devil out of them. We have a brewery in El Paso. But I've really forgotten why I had such interest in it. I don't, I don't think it was in the original house bill. He sought to add it in, and we defeated it in the House, the beer tax. But then it was put in the Senate and was in the final version. I think that's the way it went.

Brewer: What do you feel is the philosophy behind taxing cigarettes and beer?

McGregor: Well, of course, the final reality of the thing is that you tax where you can. In other words, whatever the people are willing to bear. Now the people are willing to bear cigarette and beer taxes because they have a certain moral feeling that they shouldn't be doing it anyway. And they'll take it--a lot of them don't--a good number of the electorate doesn't smoke and don't drink and

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they'd like to see it abolished for the other ones. So you got that going for you. But even the ones who do smoke and do drink are never so concerned about increasing their taxes on those pleasures as they would be if you were taxing their homestead or taxing their means of livelihood or something of that nature. So the political reality of it is that the people are much more inclined to accept a tax on so-called sin than they will accept it on any other thing. So you can just go there and just kind of what the traffic will bear.

One of the hottest issues of that session and of the next legislature, was the issue of natureopaths and it got over in the public health section. A pretty complicated issue all the way through because the constitution in the state of Texas prohibits different tests for different areas of the healing arts. But there were a series of legislators....there were several legislators down there that sort of made a practice of introducing these bills to outlaw naturopaths. And, this....this fellow that was the head of the naturopaths then would go around and drum up all the members and get contributions of various kinds and go to Austin to fight the bill. Now, of course, the medical association will just automatically oppose anything that, as Mort Sahl says, where they're against witch doctors and all those things that might effect a speedy cure, you know, but anyway, they're guaranteed to come in and oppose any kind of competition to the medical profession, oppose chiropractors, naturopaths, or anybody else. Of course there was

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a lot of merit in opposing those naturopaths, but in any event, these guys would introduce a bill whose ultimate effect would be to outlaw the naturopaths. Then this guy who was the head of the naturopaths would go around and drum up subscriptions from all the naturopaths to fight the bill, and they--they'd go to Austin and after a while the bill would die, and this got to be sort of a standard operating procedure during the time that....during those first two sessions. And Waggoner Carr really made a serious effort to do away with this sort of thing in the legislature and of course, during his tenure there, was when the Cox case came to light. And it was brought on by precisely this practice, which was going on back in the 54th.

In the 54th there were two problems that had been there a while and continued long after the 54th. One was the problem of usury and the second one was the problem of legislative ethics, or a code of ethics that would embrace all state employees. Now, if you recall, all the scandals of the Shivers, the last Shivers administration, had really come to the front during that campaign and, in addition, the insurance failures and what-not brought on additional disclosures every day. So there was tremendous sentiment for a really effective lobby control act, for a code of ethics bill for legislators and then, which wasn't brought on precisely by this, but still always in the background, was this small loan or usury problem. And, of course, we grappled with this first lobby

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or regulatory act for some time. And it's just almost impossible to really do anything effective. You can't abolish it because a citizen has got the right to petition his government, and you can make certain regulations and certain disclosures, but these disclosures tend to be misleading and they are more often--they are great loopholes in the law, and it's just extremely difficult to write something that's meaningful. Now, the same problems arise in the legislative code of ethics, a code of ethics for all State employees, it's just, it's just hard to write prohibitions into the act, and during the time I was there, in the 54th we did nothing. The lobby was firmly in control, the legislators didn't want any code of ethics and there was nothing really effective done until after the Cox case, I believe. That's what brought on both lobby regulations and legislative ethics.

But during the years that I was there, I kept firmly to the idea that you ought not to prohibit, but what you ought to try to stress and enforce is full disclosure. Now, if you can ever get full disclosure, then the people can make up their own minds about what they think is going on, and if they want to send a legislator down there that takes money with all hands then that's their business. As long as he's making a full disclosure of his interests and what-not, and then his people want to send him there....And this was the position--I remember--if you will recall, old Senator Kerr from Oklahoma, you know, and all of his oil holdings and all, very proud of it, and showed good sense on his part (laughter) and good sense on the part of Oklahoma's part. But that's, that's the

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the thing, I think, because you just can't effectively limit the payment of funds to candidates nor the expenditures of lobbyists in Austin. You can make bribery illegal, and then you can make other expenditures disclosable.

Brewer: What would, what killed a bill like this?

McGregor: Well, it was just that, the effect. You've got to remember that nobody wants to be regulated. And of course the liberals who really aren't getting the benefit of much of this anyway--they can't--can push with a great deal more personal involvement than some of the others. But the lobby on the other hand, I mean the real powerful lobbies, there's the oil and gas people, the TMA people, can put a lot of money in campaigns over the state. The way you really get campaigns is not through a state organization so much as through local people in a community. And when a guy runs in a community, the people that have money are the ones who put up the money. And you can't get any blood out of a turnip, and you can't get any money from poor people that need, that need small loan regulations. You get money from people who often don't need regulations. But these are the people that are also smart enough to have the lobbyist in Austin, and he doesn't care about the government supervising his business either. So you get the very strongest people in a community and in Texas, generally, the business community runs the State and they run each of the communities. Now it's not always that simple, but the business community is the dominant political group in Texas, and they have a lot of



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experience with federal regulation of one kind or another, and they just don't want a bunch more, just as a matter of principle, but secondly of course they don't....if....if there was a full disclosure made about the contributions and the help they were giving one candidate, that would offset some of the effectiveness of the money, of course, and so the most, the strongest group in the community and their representative in Austin neither want lobby regulations nor full disclosures on the part of the individual members in the legislature.

Brewer: Would you say that it is true or false that the Senate particularly is controlled by vested interests more than the House?

McGregor: Well, you get....one of the most delicate problems is the problem of legislative ethics. What you've done is that you've sent up a bunch of part-time people, and you're paying them a salary so that they cannot afford except to do it part time. Now, the only people that really can successfully, from an economic standpoint, do this sort of thing, are people that are lawyers. Because they're going to....this is a branch of the law so to speak. Now a lawyer, it's perfectly legal for him to have a retainer--when a retainer becomes a bribe is the very, very fine line. But in any event, on the Senate side you've only got thirty-one senators and a Senator over there is truly a powerful figure. He serves on a number of different committees, Senatorial courtesy always gives him a great leeway in who gets appointed to the various offices in his community, and he's just, he's just more or less--the senate body is even more

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powerful than--more powerful than the House side. And because of the peculiar form of government that Texas has, the weak executive, the Senate, and through the Senate clique, tend to almost control all of state government. So, of course, the Senate is stronger, there are fewer of them. Most of them are lawyers, and it's perfectly permissible for them to have retainers, and therefore, they're on the retainers. They're retained by any number of powerful people and this can't help but influence their thinking. But this isn't something that's just confined to Texas, to a strong, to a greater or lesser extent, it is true of all governing bodies of all political subdivisions of this state and every other state. The dominant force in the community is the one that tends to have the greater say. In the city council, on the commissioner's court, and in the Texas Senate and in the U. S. Congress.

Brewer: In this connection, does the lobby pay more attention to the Senate than the House because of the fewer number of people involved?

McGregor: Certainly, certainly, the Senate is catered to, really catered to. There are so many devices that each individual Senator has, such as tagging his bills, such as filibustering, any number of other things, that just make it essential that you don't have any Senator that just hates you. Each senator is important. Now you can afford a whole batch of just die-hard enemies in the House, but any Senator can give you fits. Of course, in the big leagues, and I mean the higher you go politically, the more finesse you generally have. And a guy who gets to the Senate understands that he doesn't want any just bitter enemies, and they are more adaptable in that

sense, and more intelligent and should be catered to.

Brewer: What about the operation of the lobbies? What are the really big lobbies?

McGregor: Oh, the dominant lobby in Texas is the oil and gas industry. There's no question about that.

Brewer: Did they have a major spokesman in Austin during your years there or were there a number of lobbyist and the independents another lobbyist, or was there concerted action?

McGregor: There are a whole bunch of them. I mean, of course, I suppose the genius of Anglo-Saxon government is that it is always decentralized to a certain extent. Any industry that's not totally centralized is going to be...is going to have many spokesmen. And in Austin they have for instance, there, what is it, Mid-Continental Oil and Gas, which is an association of many of them, and when I was there Andrew Housely was their spokesman, and I think Apple. Oh, I can't recall his name right now. But he-- people thought that he came closer to being a spokesman for the oil and gas people than anybody. I don't really know how strong he was. The gas companies kept a number of them down there. Old Bailey Jones, Preston Mangum--I think Bailey was Lone Star Gas-- and various and sundry other ones. Interestingly enough, El Paso Natural Gas Company, from here, kept no spokesman down there whatsoever. But I think Tennessee was represented by Ed Clark probably. Now Ed Clark, of course, was one of the most powerful lobbyists down there. He had tremendous power but....

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Brewer: Where did he get it?

McGregor: Well, that's the interesting problem. You know he was Secretary of State under Jimmy Allred. And he came up kind of the liberal route and began more and more to obtain a position of power. Now, you've got to realize that, speaking of the last twenty years, Texas is a funny place and to be truly powerful it's hard. There are certain problems that conservatives have even as liberals have. Now the great problem facing the liberals is that there are no institutions of liberalism in this state. Which means that you are always on a quicksand of....you're just doing a juggling act holding together a bunch of groups with no real cement there because the national cement, to some extent, is organized labor. And because there is no organized labor in a big sense in Texas the base is just not there so you just kind of jump around. But neither is there the hard base conservatives. In other words, the business community is the dominant community, but it's made up of many different factors, too. And Texas, there is no question, is basically conservative, but it isn't, it isn't that hard, organized conservatism. It has aberrations that come out in funny ways. The right of individuals, and our penal laws, and all sort of things that....it isn't the, the hard economic conservatism like you find in--it's sort of a code of the West kind of deal. So Ed Clarke--and Lyndon--is of the same vein as Lyndon Johnson. Very practical people that understand power in its rawest sense. And power does not lie with Shivers, who welded the

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true conservative elements together just with a real bond as Connally is doing today. The power of Ed Clark and of Lyndon Johnson has been this understanding--and to some extent that of Daniels and Yarborough--that it isn't these hard folk, it's something else in them, that you put together; and Ed Clark put this something else together. Now his real power stems from Ben Ramsey. He and Ramsey were just very, very close. And he was very close to Lyndon, and of course worked with Brown and Root. And through business and political connections Clarke became sort of Lyndon's spokesman and Ben Ramsey's spokesman, which did not make him the TMA Spokesman. He isn't, he isn't the rabid conservative, he's just a very practical guy who understands power in its broadest sense with a wonderful personality and a lot of sense, and the ability to get money and put it in the campaigns. And through Ramsey and through War Lane and through some of the others he had real ties to the Senate clique, and he always kept enough of a contact going where he never fooled with the House hardly at all, although, he did almost all of his functioning through the Lieutenant Governor and through key Senators. And he's always been close to every Governor, too.

Brewer: How does a lobbyist generally operate? Say if a lobbyist wanted to get a bill killed or passed, how would he go about it?

McGregor: There's all different ways of going about it. All lobbies are different. I would say basically there're two methods of operation. Fundamentally, different ones. One is to operate through the home community, and by that I mean that you stir up letter writing

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campaigns, you see that ads get placed, or stories get written in local papers, and you try to drum up the political grass roots support for what you are hoping to accomplish in Austin. Now this is where the teachers' lobby is so tremendously effective because they really do keep the lines of communication open to those teachers. They keep a tremendous number of people informed on what's going on. They make decisions about what's best, and boy, then they put them out, and they make sure those teachers know. They get the banner going and they're all marching.

Now, the truckers do a good job of this, too. The truckers do a real good job of dual operation. They put money into legislators' campaigns; they have people committed to them down there in the legislature; they do a good job of knowing what's going on in there. They do a good job of entertaining, having their people take you to lunch, knowing what's going on in your mind, being able to talk to you on a personal basis at all times, watching the inner group, at the same time keeping their people informed of what's going on, making sure that your trucker in your area knows you, knows what you're doing, and let you know what he's doing, and what he's thinking about. So they do about as effective a job of really dual operation as anybody going. The teachers did not do as effective a job, although they....I mean they do a pretty good job but their communication breaks down because what they're doing is not conducive to the conservative's position. In other

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words, there are certain limitations on what the teachers are trying to accomplish that makes, that makes them hostile to the other lobbies; they're trying to spend money. So consequently, there are a number of conservative legislators that are going to be hostile to the teachers, you see, in the sense they're not necessarily hostile to the truckers, because the truckers are not trying to do this. The beer and liquor lobby operates more within the legislature--entertainment, personal contact with you as a legislator, making refreshments available to you, entertaining you, knowing you on a personal basis, and operating within the legislature without doing much. It, this, this, interestingly enough....of course now that I've gotten into it, I can see just why it is--the structure of their industry. The truth of the matter is, there is a great conflict of interest between the wholesalers on the one hand and the retailers on the other. Now, the beer manufacturers are sort of in the same category as the wholesalers. But the beer and whiskey wholesalers and manufacturers have written the whole laws of Texas just to make.....just incredible what they have done to these poor retailers. They have got them set up in a certain way to where they are on a cash basis. They've got to pay in cash for their beer. If they write a hot check they close down their place of business. On liquor they have to pay twice a month' if they don't pay they put them on a list and they can't buy another bottle of whiskey until they pay their account. They got it so no wholesaler or manufacturer can

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loan a retailer anything. In the old days when there was real competition, you see, the beer wholesalers would come in and put in freezer cabinets for the retailers, do anything to get them to handle their beer. Give them a \$10,000 draw, put in all the equipment to house the beer and all that stuff and it was, it was such a financial burden on all these wholesalers you see, so they got a law written so now it's illegal for a wholesaler to extend any credit of any kind to a retailer, even to the point where it is unlawful for that retailer to give a hot check. It's just, just amazing. But, you see by having this structure then it makes their lobbying difficult. You see because they can't really function. The effective lobby's where the money is. And all the money is in the wholesaling and manufacturing, and these retailers are just like little ole coyotes, they don't have very much effect at all. And so, the real effective lobby with the money really doesn't have the grass roots. They only have a handful of wholesalers, so they operate within the legislature. Now the ones that just have a million people out, they operate out. Now that's where labor falls down to some extent, because they don't really do the job with their members that they could. They just don't have the communication with their individual members like the teachers have on the one hand.

Brewer: It's the fault of the leadership, then?

McGregor: Maybe, they don't have the dues to do it. I don't know what it is. The structure, too. You see TSTA, Texas State Teacher's Association, is really a monolithic structure that runs straight



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to the state headquarters, where a labor organization basically is a unit of an international. So that you have a local and an international. And the state organization is simply a hybrid type of thing that has no chain of command really or no effective control over any sub-group. So that they....there really is a great break in communication between locals and state. Now you have the same problem with the local. They will set up what they call a CLU, Central Labor Union, but there is no real effective disciplinary control of the CLU or of its individual members. You see it's just voluntary whether an individual union wants to belong to CLU, but the chain of command from that local to its international is very direct and meaningful. So the international is the one that is sponsoring, yet the international is more concerned with national politics than they are local politics. But it shows you why they can....they can get so much more excited behind the right to repeal of 14 (b), and their individual members can feel it because each one of those internationals go right down the chain of command. But when you get to the state level and you're trying to change the workmen's compensation law or the unemployment compensation law it's much more difficult for these--for the state headquarters to break out into a real meaningful membership thing.

Brewer: This would, oil and gas then would primarily function within the legislature too because of the structure?

McGregor: They've got so much money that they just go everywhere. There is so much it's real funny, we tried for years, the liberals, especially

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through Eckhart, the most brilliant series, pieces of legislation that you have ever seen in your life, I mean just really profound, tried to split the independents away from the majors. Now, there's, there's some real substantial bases on which to do this. The Texas Railroad Commission is run almost as an adjunct of the major, of the major oil companies, and there are some breakdowns in production, you see. In other words, you go through so many, so many barrels per month of production, and you'll get all the majors. So that you can set an arbitrary figure just like classifying cities of over so many thousand, if you say producers of over so many barrels a month, you'll get all the majors. So you could set up for instance, a graduated tax on oil production, lower the production tax on everybody that produces so many barrels or less and raise it on the ones that produce more. And you would separate the independents, and Eckhart had done this. You run a severance beneficiary, which is an ingenious method, of cutting the little producers off from the long line transmission companies. We had one on oil imports, we had any number of, of things, you see. But you can't split them, it's just monolithic. These independents just get their bread and butter from those majors, and if they tried to really buck them in a meaningful way, the majors could, could cut them in so many ways--the prices they pay for their oil, whether or not they take the oil, you see there's a whole bunch of issues that run through here. For instance, unitization. Compulsory unitization and all that stuff. That the independents would get

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up and really start asserting themselves, and you'd just see them whittled away and melt to nothing. But the overall effect of it is that the cause, the big money, the big Texas fortunes, the independent fortunes like H. L. Hunt, like the Murchison's all originated in oil, and these oil men really had money to put in a campaign, and they from time to time get excited enough to do it. Yet, you can't divide these independents off from the majors. This is a truism, not only in oil and gas. It works everywhere. Where you've got a dominant economic interest in a community, that interest tends to become monolithic, and even the little guy that's not benefitting from it will tend to take on the views and the, and the PR, public relations of this dominant interest. So that all these guys kind of fall in behind the majors, and what the majors are doing. And you can take a pencil and paper and show how the majors are doing, by cutting down production in Texas, thus enhancing their percentage of the national market, because the independents have a bigger percentage of the Texas market than they do in Utah or Wyoming or any other place. If the majors pull down the Texas market, and they can produce more in Wyoming and Ohio, they're getting a bigger percentage of the national market. But you can't cut them off, so, consequently, the oil and gas people, they just have so many, so many lobbyists and they, they operate through every lobbyist. For instance, they have a big, the big Houston firms, Crooker, Fullbright, and Baker, and Botts. They do a tremendous amount of work and they maintain lobbyists in Austin for a firm, and they

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have those guys, you see, that they can draw on them, and all the little oil, all the little lawyers out in areas like Odessa and Midland that do work for independent oil men. There are just so many economic chains from the oil industry into that legislature that it is amazing and, and when they just pull the stops, they are the industry that can really put up the big big money to get a man. In a state-wide race who else can put up \$500,000? But they, they can do it, they can, I suppose they can.

Brewer: Then would you, would you say, in sum, summing up the lobbies that they do exercise control in state government?

McGregor: Well, I mean the problem is that the lobbies, as such, are spokesman for economic interests. And I think we go back to the old Hamilton-Jefferson ideas of government, whether government is competing interest or whether its yeoman farmers out there, but there is no doubt that the government as we have it is competing interest of various kinds. Now the Farmer's Union, for instance, has a lobbyist. He's down there, labor unions have lobbyists, nearly everybody that's in an economic group has a lobbyist of some kind down there. Now, when we use the term lobbyist and all, we nearly always are referring to the real significant lobby, the big lobby, the ones that represent significant groups, economic groups, but most of the time you will find these groups exercising the same kind of influence, the same kind of pressure in the communities. Now the thing that always irritated me was that the

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lobbyist as an individual has an interest separate and apart from the group he's representing. He's always got to promote himself to them, so that many times you could probably call a group in and explain them the situation and be able to deal with them. But the easiest way in the world for the lobbyist to justify his salary is by being able to go back and show his people, well, look, this is how much taxes I saved you this year. Three times my salary. Consequently, he's always trying to look good to them, trying to promote them on the one hand, and that is the aspect of it that gets irritating. You see it very frequently, especially in.... like in manufacturing where you have complicated negotiations going on workmen's compensation benefits. Many, there are many employers, I'm sure, who would go for higher benefits and pay higher taxes, but the lobbyist, the easiest way he can show his people, is by coming back and saying, look this is what I saved you in insurance premiums this year. So there's a tremendous effort on behalf of lobbyists to stop all increases in taxes, where I've always been of the opinion that if the people they represent could really come in and see what their money was going to be spent for and know that it would enhance the state, and perhaps enhance the climate and enhance their particular competitive position, they might well go for it. But when you say the lobbyist are influential, you bet they're influential, and they're more influential than they ought to be because there are no real effective community bases against, on the other side.

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Brewer: Well, as a legislator, are there, is there anything beneficial about a lobbyist?

McGregor: Oh well, certainly there, there's a....they perform a legitimate public, a legitimate educational function, but it's just naive to assume that their educational function....to, to overemphasize it. A lobbyist is in exactly the same position as an advocate of the court. He is paid to represent his interest, now it's always seemed to me, that why we always work as we do, is we have competing interest. But whenever you lock up a situation where you don't have competing interest, then immediately you get into a....a walk-away thing. Now for instance--the Railroad Commission--the only debate going on in the Railroad Commission is between the independents and the majors. There is absolutely no debate being carried on in behalf of the consumers. Therefore, the Texas Railroad Commission simply operates for the benefit of the oil industry, and the only conflict that occurs is that conflict between independents and majors. Carrying this into the lobbyists, sure lobbyists perform an educational function. Sure they, carry back your views to their people, and their people's views to you, but the problem is that they're before you as an advocate of an interest, and our problem is that we don't have any advocate on behalf of the other side. So that legislators themselves are the only ones that are supposed to look on beyond to see what consumers want. Now, of course, votes back home have a way of getting their message no matter how you try to hide it from them, and there's always that fear of an

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election but it's not nearly as effective as if you had some real good consumer organizations of some kind, or you had really effective labor unions that were really disseminating, or you had a real good press that was putting out this deal. One of the good examples is that darn old bill down there to take the oyster beds for the concrete manufacturers. That's a terrible thing. That's just almost intolerable. Those concrete manufacturers don't need those oyster beds, and they got a good oyster industry going on there, and it enhances the sports fisherman. If you had a vote on thing, the vote would be overwhelmingly against the concrete manufacturers-road builders. But they are a tightly knit industry. They've got effective lobbyists, and they've got the ear of the Governor. Boy, they, they just, they've taken those oyster beds. Just walking off with them.

Brewer: In this connection, do you feel that people at home might have a tendency to know what goes on in Washington more than what goes on in Austin?

McGregor: Well, the average doesn't know what's going on in either one.

Brewer: As far as reaction to polls might, might go.

McGregor: Well, certainly he's better informed on what his congressman is doing than he is on what his five representatives are doing, what his state senator is doing. This in large part because state government is less meaningful to a citizen than his city government or his federal government. More and more the important things are

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coming from the city or from the federal government. Now the county just has been almost superseded. The county won't, they hardly do anything now that's meaningful to the life of a citizen, and the state more and more is being superseded as the federal government makes more responses. So, naturally, when you want to hit a voter and get his attention you just hit him in his pocketbook. Put that tax on him and he knows you are there. So in almost anything else you do he may or may not know you are there. Certainly then, they're more informed on the things that affect them more and state government just doesn't affect them like the national government or the city government.

Let me just say this, on the difficulty of a meaningful lobby control, now suppose that you were going to run with a proposition that doesn't really have a great deal of community support, it doesn't have a great deal of community opposition, that basically the way you're going to pass this thing is through having a few key legislators committed to you as an individual, and it's just not going to have enough political impact on the public generally to get anybody excited. So your problem is just to get you some, a bunch of key people that are for it and kind of slip it through without nobody really watching. Now, in setting one of these things up, the most effective way you can do it, is to get out before the elections and you as a lobbyist contact a bunch of key legislators in different areas and have them to supper, explain to them the problem you are working on, and that you don't expect any



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commitment, you just make them knowledgeable of the problem. But these people show interest in the election, and they want campaign contributions and you just, from the drift of the conversation, feel if the guy is non-committal and you make some key campaign contributions.

(Tape blank for 55 seconds)

The speakers are just too powerful. Of course, this is what in the national Congress led to the series of reforms, you know trying to make seniority more powerful. But our legislature functions in such a way that the speaker is almost all powerful. He's got the power to set up any committees he chooses in the way he wants, and then through his power to refer a bill he sends them to his hand-picked committees. And it's, it makes it an extremely crucial and important office. Waggoner's first race, he was running against Horace Houston. It had been traditional in our legislature that a speaker only holds office for one session. Now, prior to that time only I believe it was Coke Stevenson and Reuben Senterfitt, possibly one other, had held office for two terms. Horace was very close to a group of legislators that were....didn't have a great deal of standing in the House, and of course, he got tagged early as the big city candidate. And the legislature had a rural dominance so this worked against him. Also, Waggoner was well-respected and had a more, a middle of the road kind of posture, which made him acceptable to everybody. Then several of the major lobbies of course got behind Waggoner just as I assume some of them

were behind Horace. I believe the trucks were behind Waggoner and the railroads were behind Horace, but I--it's been a long time-- but in any event, Waggoner early developed great strength and in these early stages what generally happens is a speaker, of course, has some four, five or six key men, and in these days they would begin to campaign early by being everybody's friend, getting in nothing controversial and begin to visit members on the floor of the House personally. Then along about Easter, probably, they would begin to have a more intensive buildup. By this time they would begin to have four or five key men that were working also so that the members would begin to be contacted on the floor maybe by four or five people. And the initial contact by the speaker candidate himself would be more-or-less on a just kind of friendship visit, and try to establish a rapport there and a community of interest and feeling. Then as later you begin to build up, you try to build up a kind of mania feeling that if you don't get on the bandwagon now, you're going to be left off you know, and the speaker wants all his friends with him, now is the big week, we're going to announce seventy-six pledges next week. So you begin to build up a tension, and a feeling in the members that there is a steam roller going, and if they don't get on the band wagon then they aren't going to be close to the speaker and get key committee assignments. This is carried on off the floor as well as on the floor. I mean, along about the second month of the session you begin to have coffees every so often. The speaker and his loyal

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group, which about this time has expanded to some twenty people, and you'll go through the membership and find out who's friends with who, and who is pledged to who and begin to work on doubtful members, a man about to lean, something that might change the scene, whether or not, what his interests are, what his bills are, who the people are in his community that he knows that the speaker candidates know and then to try to pull every kind of string that might get that man committed. And of course, what you finally want to build up to is when you announce the seventy-six members and the majority. Now of course, this isn't a sign you are going to win because there is twenty per cent turnover perhaps in members. But among politicians, of course, they're all in the business because they want to be liked, they want to be successful politicians and what not, and the steamroller psychology applies much more to a group of politicians than it does to an electorate generally. Now, of course, the man being labeled as going to be the winner has great significance in any political race because all the Johnny-come-latelys and the band wagon people tend to get on, and it becomes extremely difficult for his opponent to really get momentum just in a race generally, but in a speaker's race where all these guys are politicians, they are looking directly to rewards from the speaker. Once this psychology of the winner gets started, then it becomes almost impossible for the other candidate ever to generate any interest and he begins to lose the pledges that he's already got.

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So, it's a very crucial thing when you make that announcement. Now it's kind of interesting to look at these races and in view of the races that went on in years past.

Now to carry Waggoner's on through. As soon as you get the seventy-six pledges you make your public announcement, and the other candidate just kind of withers on the vine. So that by the time the legislature ends your candidate is pretty well a cinch. But he follows that up afterward. He gets money from....just as if he were running for any office, and gets in planes and goes to communities, sees people in the communities where they are more relaxed, they're away from the legislative atmosphere, and there's a tremendous sort of good will that comes after the tension of the legislature. So if the speaker candidate can come into these communities, he's a winner, he's a front runner, he's a nice guy, he hasn't made any enemies, he's a middle of the road man, and he comes to this person who has held out during the tension, the guy's relaxed after the session, and he wants to sort of talk to him, they talk about committee appointments. A smart speaker's candidate is not going to make any pledges. He's going to have some crucial people that have been of importance to him, he's going to reward them, they know he's going to reward them, but he's not going to make any real, real hard pledges for votes because there's just not that many jobs. Once he starts doing that, then all the ones who haven't got a job are going to immediately go to the other candidate. So that he's got to be very very wary in making concrete commitments,

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but he can certainly give off the kind of implied feeling, that of you are going to be treated good if you go with me. But then after the legislature ends, that home visit that contact in the communities of the ones that have held out, generally they're enough, like in Waggoner's race, there was enough to put him way ahead and Horace Houston just sort of dropped out of the picture, and then Waggoner was just a cinch. Of course, then nearly everyone gets on the bandwagon. Now, I'm told that in the races previous to the Senterfitt and the Lindsey and the Carr races, it was done in a more relaxed atmosphere, that really and truly they didn't have this long buildup, two years before the session started. That it really was after the election that the people really began to get interested and the candidates would phone or generally see people in their areas. But it wasn't this pledge card type of thing. I probably didn't mention that, but the way all the speaker candidates work is through pledge cards, and when they are ready to pledge you, you sign a little pledge card. Of course, that's not binding in any sense of the word but once you get these pledge cards, it gives something objective that then you can begin to show other candidates, as soon as you build up to about thirty you begin to get that momentum going, and you show the hold overs, the ones that are wavering, well look I've got thirty cards, I think by next week, we are going to have thirty-five more, as soon as we get our seventy-six we are going to get our announcement. And that is the psychology that develops.

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Brewer: Will there be candidates that will sign both ways?

McGregor: Oh yeah, there are some, some few will just sign all of them. Some of them will sign for instance, this is especially true in a real close race, where a new man has been elected. He doesn't really know anything you know about what's going on down there, he doesn't have any clear idea of his ideology, and sometimes a candidate will slip in on him you know, and get him signed up, and he will be very impressed, and then he will come to find out that his supporters in his community are supporting the other fellow. And politically, he can't pledge the way he's pledged. And then he gets in a great deal of trouble and hot water, and it's a very tough thing on new members when they're not equipped really for it yet, to know what's really going on, to have all this, to be sought after like pledges in a sorority so to speak.

The second Waggoner campaign was a very interesting campaign was a very interesting campaign. Joe Burkett announced early as a speaker candidate. Waggoner was very coy; his crucial people, his probably eight or ten people very close to him didn't pledge anybody, they kind of held back but with no....at the early stages of the session, there was no specific word from Waggoner that he was going for a second term. Burkett more or less had an open field, and there were other candidates. I believe Ben Glusing was a candidate, and several others, but Burkett developed into the front runner. Now the basic idea that prevailed at that time, was that Burkett was just too conservative to get to become speaker.

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That nobody that far off center could become speaker. Burkett was generally recognized as perhaps the most conservative man in the legislature. He voted against a lot of insane things, I mean like for instance, like suspending the constitutional rule which is simply a device to speed up the flow of legislation. He opposed it on the grounds he didn't think it ought to be suspended, for some reason. But in any event, because of this, his strong conservative stand, the idea that prevailed among a number of people was that he was just too conservative, and that he could be beaten by somebody. Well, Waggoner, as I recall, held out until about Easter, and then Easter he sent his crucial lieutenants, Heatley specifically, with a kind of resolution asking him to run you see, and they worked the floor and got a number of these things signed, and, of course, I was very strong for Waggoner and vary friendly to him, and I worked real hard in that campaign. And because he was getting a late start Burkett was even the front runner until the end of the session, but Waggoner did develop a sufficient block so that both sides knew that it was going to be the election that would decide it, and Waggoner was definitely the underdog--just didn't look like he had any chance at all. But he worked diligently during the coming months, and he is a really full-time politician just motivated. Just a complete one, he just worked twenty-four hours a day all the way through. And finally, just toward the end of the thing-- it was just two or three votes difference and nobody knew just how it exactly was going to go but it was just to the wire, and the

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temptations are so great on a man at that time to try to pay money or to do things, but I don't think of course....if it ever gets out, of course you're dead. The thing that was crucial to Waggoner at that election was that in Harris County....Harris County elected a complete liberal slate. They just threw the conservatives out, they just came up with an unexpected seven or eight votes for Waggoner, which really turned the tide. And there was a liberal showing in San Antonio too, I believe. So that, so that was the.... the liberal vote in Houston is what turned the tide, and then he had a few key East Texans that switched sides, and when they got down to that election, nobody knew until the day, that morning, who was going to win, and Waggoner had a big coffee for all of his people, a breakfast that morning. We all went down there, and they counted the votes as they come in the door, one, two, three, four and finally they got seventy-six members into that coffee. Now, many of them are double pledged. But, of course, they were there in there and saw that there were seventy-six people in and they all had little Carr pins of some kind, I've forgotten, little cars or something, on their lapels. Then they rode them all up on the bus, and they turned us all loose in front of the legislature, we all walked in as a big group of seventy-six with our pins on, you see. Then Waggoner sat at my desk, I sat right in the center aisle, the first desk, and Waggoner sat right there at my desk and the voting box was right in front of the speaker's stand, so that he could look every man in the eye when they came up there and voted,



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so that the double pledgees would get the benefit of his undivided attention just as they cast their ballot. And, of course, the voting was supposed to be secret, but they had a few guys of course that would show their ballot--so that everybody didn't--it developed the secrecy end of it--developed into a farce. So that aided Waggoner in the, in having his seventy-six pledges going in, having one of his most ruthless lieutenants right there by the box, having the people show their ballot to the balloter, and having seen that he had the seventy-six pledges, and if they voted in secret it would be construed by his people as having voted against him and nearly all the double pledges then went ahead and voted with him then you see. So that it was a very well handled thing throughout and he had a lot of luck.

Brewer: Did this obligate Carr to the liberal bloc?

McGregor: Oh, to some extent. Of course, Waggoner's commitment, real commitment, was always to the oil and gas industry. But Waggoner did lean over backward to try and give liberals good committee assignments. At that session, I had almost as many committee assignments as I desired, but what I wanted at that time was to be on the conference committee on appropriations. But I fell out with Heatley. He, I, who he (Carr) appointed chairman of the appropriations committee, and he and I had such vast differences....

Brewer: What was the basis of the differences?

McGregor: I don't know just how the committee ought to be run, and what it

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ought to do. I mean....Max Smith....the appropriations committee is such an important committee and in many ways it's the finest run committee in the legislature. The only committee that really does have a trained and competent full-time staff. And this is the budget board personnel, of course, that functioned under the committee during the time they work. And the way I'm, if I were running, the way I think it ought to be run is that you've got the five sections of the bill--I think--you've got the judiciary section, and then you've got the hospitals and special schools, you've got the state departments, and then you've got higher education. That's four sections, and those are the four basic sections of the bill. Now, I've always thought that the whole committee ought to hear a presentation on each of those sections. In other words, the supreme court could go over and make a presentation on behalf of the judiciary, the governor's office make the presentation on behalf of the state departments, the hospitals and special school's board make a general presentation, and then the commission on higher education would make a presentation for colleges. Then the committee would break up into five sub-subcommittees, and then each committee would hear each department of each college, each court and all that. Now the way Max Smith ran the committee, it broke up and each took a section of the bill, the judiciary section, the hospital section, and the whole committee never heard a presentation on the whole bill. They just heard their own subcommittee, and they would write their own bill. They have to know a certain....know within what limit your

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writing and all that. But the way Heatley had it, the whole committee heard all the testimony. Now this is an impossible task, I mean you just can't do it. Of course, the members wouldn't show up regularly, and there were just too many committees. They met too long. So the sum total after all was said and done was that the committee really knew nothing, and it just left it up to Heatley to do what he wanted to do through the professional staff. Now that's the way it really worked out. And, of course....

Brewer: Do you think this is the way he desired it?

McGregor: Oh yeah, oh sure, he set the committee up so....

Brewer: He set it in this composition....

McGregor: Sure, yeah, so the committee really wasn't, the end product. The end product was that nobody really knew enough about any one thing to make a really legislative determination. Now there's not much legislation determination being made anyway. Because mostly they go on the recommendation of the staff and all. And they come out with a kind of a dummy bill, you see, that goes to conference, and the real work is being done in conference. But still it's just important to the legislative process that your appropriations committee--there are some twenty-one of them, and they ought to know as much about the bill as possible, for many reasons. And if you just have a presentation to the full committee by each of, each of the major division heads, and then divide your subcommittees and work your subcommittee reports up based on really hearing. So the department heads get the idea that they really haven't appeared

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before a legislature, that they do have some appeal from the budget board staff members, the budget board staff members can't just stomp on them with impunity, that they do have the right to go up there, that they will be heard, and they will be considered. Rather than just being dashed in there for five minutes to make a presentation before about eight sleepy members of the committee that have just been sitting day and night for two months you know. That just doesn't get it. But in any event, I guess I really strongly objected to the way he ran the whole thing, and so I didn't go to the--this was Waggoner's second session--so I didn't go to the conference committee during that session.

Brewer: Was this because of the influence of Heatley that you were kept off the conference?

McGregor: Well, I mean, this is not very smart to send someone. It wasn't necessarily Heatley. I just wasn't, of course, I'd become very hostile to Waggoner at this time too, not so, not so hostile to him, but there were a series of things. He felt that I had double-crossed him on a bill for the--I'd been on the Hale-Aiken committee--he appointed me to the Hale-Aiken committee--and I served on that interim committee between his first and second session. And one of the recommendations of the Hale-Aiken committee was this little pre-school English bill for the non-English speaking children. And I felt very strongly about that bill. It was a big thing for this area, particularly, probably El Paso was one of the most important areas of the state. The whole program had been developed by Luit

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and had been presented to the Hale-Aiken committee by Old Felix Teherena of Houston who was also a Luit and also had helped to develop the Luit program. So it was incorporated into presentory form by the TSTA, probably the ones who really drafted it, but the Hale-Aiken committee made the recommendation, a specific bill was drafted, and it in effect incorporated the Luit program. So I introduced it as a principal sponsor. I was very interested in it. And I finagled around and got it out of the education committee early. And now the problem was that they've got joint Rule 9A that prohibits a bill with appropriations from being considered until the conference committee reports on the general appropriations bill have been adopted. So the question then occurred whether or not my bill was an appropriations bill. Of course, I made the argument that it would really save money, it wasn't an appropriations bill per se, it changed the formulaes in the Gilmer-Aiken program but in effect it can be argued that many of these children would attend this little four months school would then avoid the necessity of spending two years in the first grade, and, therefore, the bill could very well amount to a savings. But certainly, it wasn't an appropriations as such, but just a reallocation. And I got an advisory opinion from a parlimentarian to this effect, so I was sort of armed with it, but anyway, Waggoner--that was the session where there were some real money problems, and he had this whole Hale-Aiken program looking at him, and he had nobody willing to really sponsor or work for a tax bill that would cover it--So his

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whole play that session was to sort of kill the Hale-Aiken program without getting responsibility for it. And he certainly didn't want the precedent of this bill being passed, and yet he didn't want to rule this bill was barred by Joint Rule 9A. So pretty much in a really tough spot; and I really didn't anticipate putting him on the spot, but I wanted my bill passed. I got it out of that committee and got it before him, and I delayed it for three or four weeks and finally told him I was going to go with it. And he....finally he ruled that it was not within Joint Rule 9A and, therefore I passed it, and the same problem was facing him over there at the Senate, you see. Ramsey didn't want the bill and didn't want anything to do with it but Kazen saw the real merit of the thing, and the real value to his area, Laredo, so he just took it on as personal. It took a lot of personal drive to get it out because the whole play was to kill the whole thing, they didn't want any precedents set or anything else. But, in any event it did pass, but Waggoner got really aggravated over that, and as the session wore on we got in this long tax fight, in which I, and a number of our colleagues, were pushing gas taxes and Waggoner was trying to kill them. And we finally developed enough votes, and of course, I suppose, along with this flowed the bitterness of the Waggoner-Burkett race. Well, we finally developed enough votes to do something with that gas tax out there, and we were able even to instruct conference committee. But out of this--out of just a number of irritating things--so that I became very far from the speaker during the course of the session.

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Brewer: That was the session, the 56th legislature, that took three called sessions on the, on the tax problem.

McGregor: Yeah....

Brewer: This was 1959 when Daniel was pushign the oil and gas.

McGregor: Yes, Daniel.

Brewer: This would put Carr and the governor, then, directly at odds about taxation.

McGregor: Well, Waggoner is an awful good politician. And he doesn't, I mean, he's not directly at odds with the governor. His deep commitment was to protect the oil and gas industry and to put what they wanted in it you see, and so was Ramsey's commitment. So that the conference committee of both houses were committed to do that. Now, Daniel, he wasn't charging, you know, he just wasn't just "romping and stomping". He didn't really care. The play developed was whether they were going to increase the severance tax, or they were going to try this severance beneficiary tax, you see. And that was a great intellectual debate that was going on, but Daniel....Daniel wanted the severance beneficiary tax. He was getting a kick out of the whole thing kind of, and, but he didn't care whether it was out of the severance tax really, so there wasn't any deep conflict between him and the speaker. He didn't think the speaker had to go as far as he did, probably, to protect the oil and gas industry.

Brewer: Apparently there was a deep split here between the House and the Senate?

McGregor: Oh, there's always....

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Brewer: The Senate passed generally a sales tax, a 75% sales tax, 25% business tax and the House would not concur.

McGregor: Well, uh this is, this is true. As the session wore on, you see the Senate was ready to buy the general sales tax. But they didn't want to initiate it. Those senators are awfully smart and they have been there a long time, and they are awfully good politicians. With Daniel threatening to veto it and "romping and stomping" in the newspapers, about the big lobby, the big oil and gas--he kind of used them as a whipping boy--You know trying to saddle people with a sales tax, and that he had fought the battle in '42 and he was fighting it again. It really generated....that....of course that is what generated for the only time I was ever there, the climate that made effective liberalism really possible for a short two sessions there. Waggoner's second session, when we were building strength and during Turman's session when we did have some...some power and with the governor we were....we were an effective voice for a while. But you need a sounding board. So the Senate was just sort of playing their cards close to their belt and they were watching; they weren't initiating anything. But the House on the other hand, was probably, to some large extent because of the bitter split between Waggoner and Burkett, and was kind of in a mood for "romping and stomping". There's always an animosity between the House and the Senate, and you had Hollowell who's a very forceful speaker, oh, screaming about the sales tax, and you had the Governor who had a strong East Texas following. Guys like Sadler, and Joe



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Chapman and Hollowell, who generally are segregationists but they're kind of old Populists, too, and they don't go for that sales tax, and they talk about those poor folks and all that stuff, so you had a pretty good attitude being....prevailing in the House. Now, you had the speaker and his cohorts, which were really in control of the committees, trying to do what they could, but now Waggoner was interested in politics down the line, and he didn't know how popular the Governor was and maybe the Governor had the right message, and he sure wasn't going to put his neck out on the limb in the same way that Ramsey was willing to do until he really knew which way the wind was blowing. So he would just kind of play his cards under his chest, and he wasn't going to come roaring out there with the sales tax the way the Senate was, and without his leadership, really effective leadership, of course you didn't have anything going in the House that would organize behind the sales tax except Wade Spillman, a few people that were very conservative, and Frederick Seligson who was leading the sales tax forces at this time, the outstanding spokesman for the sales tax. And Frederick is an extremely intelligent fellow and well-informed and was working diligently for it. But you just didn't have any leadership, and you didn't have any real organization behind it so we got, so the House--just more or less by default--you might say--went off more and more to the Governor's side of the porch, which really became more and more to be led by the liberals in the House which were trying to put the taxes more on business and was more wrapped up in the regressive-progressive argument of where taxes were really falling.

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Brewer: And you were backing Daniel's tax program.

McGregor: Well, we were, yes. Daniel finally came, in other words, as I recall the situation, Daniel finally came around to our tax program. In other words, we started out just kind of shuffling in the dark, and of course as we began to build strength, pretty soon we began to have the votes, and the majority votes to put in that severance beneficiary tax. And at that point, Daniel came over on our side.

Brewer: Do you think the origin of the severance beneficiary came from the liberal bloc and then captured the middle of the road support including Daniel or....

McGregor: Well, the severance beneficiary tax, of course, the idea behind it goes back to the old gas gathering tax of Jim Sewell, back in I believe it was '51, when Sewell passed that gas gathering tax. That was when George Nokes and D. B. Hardeman and the liberals of that day made their great fight against Shivers and was finally able to pass this gas gathering tax, which was then declared to be unconstitutional. So, the gas, the severance beneficiary tax, was a tax that Eckhart had thought of and drafted, and it was a brilliant piece of legislation, boy, and the philosophy and ideas behind it were really well....well done. In order to get around the constitutional arguments and, and make it a severance tax instead of a gathering tax although it would, the burden of it, would fall on the gatherer and not the land owner, and the idea behind it was very carefully drawn. But Eckhart never was on

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those conference committees, and they would slip over there in those conference committees, and they would draft amendments to exempt people that they would know would invalidate the entire bill because the people that were being exempted would amount to an unreasonable and arbitrary classification in the bill, you see. And so they were able to get the bill and finally the whole thing, you know, you work with something that that's delicate, if it's really that delicate a point of law, it takes all hands to get it right. Now, if you've just got a bunch of guys sitting around thinking about how they can muddle it, and they're the ones in control, it becomes extremely difficult for you to get to the courts in the proper posture and that's what finally happened. And by the time you fiddle around with it two or three times, and they throw it down, the courts finally say--well, quit trying this, you know, they no longer really hear you. But the....it was a very delicate and very difficult fight, and one of the most intellectual fights going.

Brewer: In that session, in the third called session, it says, the House finally passed the tax bill with the sales tax of the Senate and the pipeline taxes intact. Was this just a compromise between the Senate and the House?

McGregor: Well, you've got to remember that what finally occurred was that the gas tax was passed, so that it was just a token tax. It wasn't even a significant part of the tax bill. The main tax bill was this compromise on these other things to raise the money, and then a just a token tax bill in order to really test the constitutionality of it. And that was what the compromise finally was.

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Of course, it was declared to be unconstitutional.

Brewer: Would you say though, that the House backed down to the Senate in the final bill?

McGregor: No, the Senate was really after a general sales tax. And the two issues that were being fought out continually was whether we were going to a general sales tax, one, and two, whether gas was going to be taxed. In other words, for any portion you see, and those two issues were one. There was no general sales tax and gas got this token tax. Now once you take these propositions, then, you are just sort of scratching around trying to get it where you can, and as far as this falling more on one or more on the other, you just finally reach the point where you've done the best you could in getting the money where you could get it without going to a general sales tax or an income tax.

Brewer: Well, back to the committee assignments, and I think we got off. We got to the severance beneficiary, beneficiary from the appropriations and from the speaker's race. You did mention that you could have your pick of committees in the 55th legislature and in the 56th. Why would you be in this position as opposed to the other 149 members of the House or how many could have their pick of committee assignments? I mean did you perform some special service for Carr?

McGregor: Oh well, I worked hard for him in his first race and had, had helped him you know, supported his program on the floor of the

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legislature, his appropriations bill, had been part of his team and had been loyal to him and trustworthy, and during his campaign for speaker the second time I had worked hard; so the point was that, at this point, I had pretty much what I wanted, although I couldn't have had the Chairmanship of the Appropriation, State affairs or Revenue and Tax. I didn't have....those three weren't available to me. But the only thing I wanted, and what I wanted real bad was to share one of the subcommittees, and that session by golly I did, no, I was on the....Waggoner put all the liberals-- this is the second session--on the higher education subcommittee of appropriations, and we wrote the best appropriations bill that had ever been had up to that time. We just put in the commission recommendations, just flat put them in the bill, and everyone else was just sore because they'd held their sections down and he had old Kennard, myself and Dewey, and we just made him put in the full commission recommendations on higher education.

Brewer: This was more than a budget board recommendation?

McGregor: Oh yes, way more, I mean, this was the full commission recommendation we put in that bill. But, but you see I had, I could probably have my pick of Chairmanships other than any of the committees.... other than the big three. But what I wanted was the chairmanship of one of the subcommittees of appropriations and then be picked to go to the Conference Committee, which, in effect, writes the appropriations bill. And then I wanted to be appointed to the Budget Board in the interim. But then I fell out with Waggoner

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and fell out with Heatley. And the way Heatley ran his committee by keeping the whole committee together, and hearing all the testimony, he didn't have to pick his chairman of his subcommittees until way in the session. And by that time, I had fallen out with him so badly that there was no chance of me going to the conference, or any chance of being....of getting on the budget board.

Brewer: In 1957 you were on Revenue and Taxation.

McGregor: And Appropriations.

Brewer: And Appropriations.

McGregor: That session the only committee I requested of Waggoner was Appropriations. That's all I wanted. But Felix Seligson was Chairman of Revenue and Tax, and Felix and I were very good friends, and Seligson wanted me to be on Revenue and Tax. That was the session we had no tax bill, and our big problem during that session was trying to keep the people that wanted tax reductions from getting their bills through the Revenue and Tax. Mainly, the chain stores wanted the chain store tax removed, and the bus people wanted the penny gasoline tax removed from their gasoline because they use the city streets and pay franchise taxes to the city and the....we did pass a bill though, for the electric holding companies. Ther's an electric holding company up in Dallas that wanted some kind of a big franchise tax reduction. We gave it to them. Barefoot Sanders handled their bill, but we didn't have any problem there. Now, I was Chairman of the Congressional and Legislative Districts, and again I didn't request it. That session we had a congressman-

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at-large, who was Martin Dies, and he ran for the Senate seat against Ralph Yarborough and Thad Hutchinson. So Houston had grown to the point where Houston was entitled to that Congressman on a simple population basis. So old Howard Green of Ft. Worth is the one who took....took the bull by the horns and decided it was fair to give that to Houston and to begin really working on it. And he wrote Martin Dies a letter, and Martin wrote back and said that it was certainly all right with him. He did not anticipate running for re-election; he was running for the Senate, and that whatever the legislature wanted to do about the at-large seat it was certainly all right with him, which took him out of the consideration. So then the rural congressmen, the rural representatives, of course, fought Houston to some extent, but Houston had a pretty balanced delegation that session, conservatives and liberals. And they were....we were able to get the bill passed.

Brewer: Was there any real fight in the other urban areas? Dallas?

McGregor: Well, Houston, Houston's cause was just so overwhelming. They had about 1,200,000 as I recall, to Dallas' 800,000. So, on simple justice, you just couldn't hardly fight it. And the urban people kind of stuck together on it.

Brewer: From your experience on Appropriations and your comment that the issue of 1957 was to stop a reduction of spending, what is your philosophy of spending on state level?

McGregor: Well, I've always, always been one of these people that's kind of inclined toward Galbraith's theories as set forth in his Affluent

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Society. What the idea is that the state doesn't have much fiscal policy as such. By that I mean you don't try to control your economy of the state through expenditures and through taxing. The welfare program--I mean the state is performing services--and the federal government has more or less taken on the role of our guarding the economy in using taxation as a part of fiscal policy to flatten out the business cycles and all that kind of thing. From a state standpoint what you're basically trying to do is perform a series of services, and you know when you look at one of those pie charts of what we are spending our money for, you find a great....I think something like 45¢ out of every tax dollar goes to education. And then you find your highways and roads are your next big expenditure and then your welfare programs and then your hospitals and special schools, your eleemosynary and correctional institutions, but these are the things that just take the big state budget. For instance, the judiciary is a pretty small part of your state dollar, as I recall it's something like 8% for your administrative costs.

So where you're really spending your dollars are providing education, providing highways, providing for your welfare programs and providing for your hospitals and special schools. So I've become pretty sold on the idea that we ought to leave the problem of, of where we get the money, from a standpoing of fiscal policy, to the federal government. I mean the federal government ought to be the one worried about redistributing the income, about flattening



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the business cycles. Our problem is just to get money anywhere we can get it to discharge these services in a way that is consistent with a broadening and growing civilization. Consequently, we really ought to be working to, to raise that money anywhere and so I always, although toward the end I got so wrapped up in the artificial liberal positions that I didn't support the sales tax, feeling that, principally, that the sales tax was passed during Daniel's last term should have been coupled with a corporate income tax to replace the franchise tax.

Now what we have, we've got a bunch of taxes like the severance tax, the corporate franchise tax, that have deep inequalities built into them. And certain of the major interests perpetuate these equalities--inequalities--because it makes it very difficult to go up. For instance, you take out here where they've got this gas bought from the north in the Panhandle. Some of it as low as 5 and 6 cents per million cubic feet. You raise your severance tax on that gas, you see, you are getting--You raise your severance tax one percent, from 7 to 8 per cent of what is being paid for in selling it is six, six cents. Well you raise very little money. Yet, on the other hand, your gas that has been sold lately, for 25, 30 cents an M.C.F., it's already paying a huge tax. It is paying eight per cent of that figure, and that's the tax that's going down to your industrial users along the Gulf Coast. They're not getting that six per cent gas. That is all being pumped up north and being absorbed by the transmission companies. So when you try to work

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with your severance tax, the first thing you know, you're hitting.... you're hitting the people you don't want to hit, the people who are already paying a big tax, and you're not really reaching those, those long term contracts that are so low. So that's what, that's what makes it hard to deal with.

Now, when you get to your franchise tax, one of the big elements in franchise tax is the debt of a corporation. And, but debt is not, is not any indication of the corporation's well-being. If you get the tax levied on income, you could do so much better with it than you can as long as you're fooling with taxing them on their indebtedness, you see. So when you've got these inequalities in the tax, the thing just isn't worth a whoop. What I was hoping so much was that in conjunction with the general sales tax, which was just inevitable, if they had come back in and reworked those corporate franchise taxes, put a three factor formula in so that it would have really applied to the large interstate corporations and then rework them more in line of corporate income, rather than on all these other factors, it would have offered us a good compromise. But, like I say, I'm always more concerned with the expenditures, than I am about where exactly we're getting the money. Anywhere that we can really get it within the terms of political acceptability is sufficient to me.

Brewer: Why don't we just continue this discussion of the sales tax when it went into the 57th legislature in '61, and apparently the overshadowing issue of the whole session was the sales tax in '61. You

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stated your position on the sales tax. Do you think Daniel accepted the sales tax as inevitable, finally?

McGregor: Oh certainly.

Brewer: In 1961, even though he came out for a payroll tax.

McGregor: Well, now Daniel used his best efforts to do something else. I mean he used his best efforts to do anything else. He originally came out with a pretty comprehensive program. Let's see, he was going to rework the franchise taxes, do you have it there? Daniel had a....I believe, if it was as I recall it, it was incorporated in three bills, but he was going to rework the franchise tax and put it on a three factor formula basis which means he would reach the large out-of-state corporations, who pay very little taxes now. In other words, his three factors would be percentage of property owned within the state, percentage of payroll paid within the state, percentage of sales made within the state. And by using these three formulaes, you--which would have been approved by the Supreme Court--you reach your, your large interstate corporations. Now that was how he was going to use his franchise tax. Then he had his....a tax on utility companies. He was going to increase the gross receipts of the utility companies, I believe. And he had of course, his escheat bill, and he had this one-time transfer of funds in the available fund, and he had a gas tax of some kind.

What happened to him was they killed the whole program on one day on three successive votes. He, he almost passed that franchise tax. But, of course, Turman's election had stirred some deep animosity,

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and there was a lot of built-in hostility there that was trying to do anything to embarrass Turman. Turman was very close to Daniel and Daniel had good control over the speaker's chair while Turman was in. But they ran with the whole program on one day. And the guy who beat it was old Maco Stewart, who was so delicately balanced. Maco had his own tax program, and he got up and he told them that if they would go with him on his franchise tax, he would vote with them. Now, the main thing he wanted to base it on was payroll. He had some way that would benefit those, those chemical companies down there around Galveston, but his pitch was that it would lead to more industrialization of Texas. He had it all worked out. But in any event, you just can't have everybody running around with something that doesn't balance. But he ran with his program as an amendment to the franchise tax. He lost that, and then turned around, and the people with him voted against it, and they just killed it right then. And then the others came up which were even more controversial, and the Governor's whole program was just wiped out early in the session.

He was trying to balance the budget early, you see, and get his tax program on the way. And so, once that occurred, then he was down and out and Spellman, the defeated candidate for Speaker, became the leader of the sales tax forces. And so, once that occurred, then he was down and out and Spellman, the defeated candidate for Speaker, became the leader of the sales tax forces. And

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so, in that sales tax push was the Speaker's hostility and the full support, endorsement, and help of the lobby and all the lobbies, especially that pay other taxes. And it just gradually gathered more and more momentum. In other words what....the teachers were working in the background with the full Hale-Aiken program. All the colleges were down there wanting the commission recommendation so there were several real needs for money, and they had built up tremendous pressure. And as the leadership just wandered around in a circle against the sales tax, but with no program that really offered any hope of solution of their own, it became increasingly obvious that the sales tax was going to be the tax.

Brewer: I noticed, though, that it took a special session trying to get concurrence between the Senate and the House.

McGregor: Well, of course, the end of the first session was one of the most dramatic nights in history. Now, as I recall, gosh, I shouldn't be talking this way without really recalling, looking it up, but I believe it was on the closing night that they brought back the conference committee report with the general sales tax in it. And, Turman....they had the vote, and the vote showed that the sales tax passed by one vote. Turman then called for a verification and in the verification, it showed that it had passed by one vote at which point, he cast his vote against it making it a tie and thereby the proposition failed. Is that the way it happened?

Brewer: Yes. And there was some question here, I believe, about a rule of the House as to when the Speaker casts a vote.

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McGregor: This was when the great controversy came. The rule provides that the speaker has to cast his vote when it first becomes evident that his vote will decide the issues. Now the position he took, and the parliamentarian ruled with him, is that it didn't become evident until after the verification. And the opposition took the position that this was evident immediately upon the difference being one vote. At that point, he should have voted. If he didn't vote then, the verification showed the same difference and he had lost his chance to vote.

Brewer: How did the liberal bloc react to the sales tax? Did they ever break forces, and some vote for the sales tax in final form or were they holdouts to the end? Did you ever vote for it?

McGregor: Well, I didn't ever vote for it but some--some did I think--Charlie Wilson supported the sales tax as I recall. Don Kennard voted for it. You know it passed once but it needed 100 votes to go into immediate effect, which would greatly....would give ninety days of revenue which you wouldn't otherwise have. And there were a lot of them that voted for it to get that extra revenue once it became obvious that it was going to pass and....

Brewer: Would you prefer, would you have preferred a state income tax?

McGregor: Oh, as a matter of ideology yeah, but it just hopelessly....It was just impossible politically. I never will forget, (laughter) I believe it was Lindsey....it was Lindsey. There was a guy named Spring from over there in East Texas, and they were running with that sales tax bill back under Shivers and old Lindsey, when they had that compromise sales tax bill. And old Spring hopped up an

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amendment to it to just put a piggyback federal tax on it. In other words, ten per cent of what you paid the federal government, and this is a beautiful tax because it is the easiest tax in the world to administer. It actually....one-fourth of it is deferred funds from the federal government, the governor has access to all the federal files, and it is the most beautiful tax in the world from the standpoint of, of traditional liberal thinking. So old Gilbert, Gilbert Spring, he got that thing up, ten per cent, the motion was to table, so the aye vote was a vote against his amendment, so when the vote occurred the entire board was green, (laughter) the only vote in the House was his vote, and he was voting from the floor. So there wasn't one red vote on the board on behalf of his amendment, and the situation hadn't changed. There's been no predicate for, for income tax and there hasn't--and you know Galbraith points this out--that there hasn't been any income tax passed in the states since 1942. Now, New Mexico last year put one in--created tremendous repercussions.

Brewer: During the debate on the Texas sales tax even....wasn't there some argument against the sales tax which tried to argue that in states which have adopted sales taxes, the next tax was the income tax?

McGregor: Oh yeah, yeah.

Brewer: This would even come from some conservations, wouldn't it?

McGregor: Oh yeah, yeah. You see, we had this wonderful article out of Fortune magazine, which was pointing out that really sophisticated manufacturers preferred to go into a state that had a broad-based tax.

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They didn't want to work with a bunch of special taxes, and what they really liked....they liked three things. Income tax, corporate income tax, individual income tax, general sales tax, and a state-wide board for setting land evaluations for ad valorem purposes. This way they know two things. Number one, if they're going to be treated equally with everybody else. Secondly, that they, that these taxes will tend to keep pace with growth and that you will have state services sufficient to meet the demand of their employees. The sophisticated corporation wants to go where there are good schools, where there are good roads, where there are good public facilities of all kinds. And of course this in turn is indicative of a highly developed electorate with a good labor force, and this is the thing that a real good corporation, the kind of corporation that really builds a community is looking for--electronics industry or something like that. Now if you've got one of these exploited type of operations that are using....capitalizing on substandard labor conditions so that they can use low-priced labor in a commodity that is going to be marketed in a national market, then that investor as a rule doesn't build your community anyway. And a fact even worse, they tend to go out and actively work to keep wages down so that they won't have wage competition in their industry. So it cuts your buying power in your community. But all these things are so. But anyway the idea was that that was what really ought to take place in any state so that you do have these. Then you do get away from the ideological arguments, you're just arguing



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means, whereas and whyfores rather than arguing great ideological battles of it--it ought to be.

Brewer: Just back up just a moment to the Turman-Spillman race for Speaker, what was your role in that?

McGregor: Well, I was real active in Turman's race. I did everything I could. Of course, one of the problems is being from El Paso you are so far out of state....so far out of politics. Now Jimmy never really got cranked up till just the close of the session. In other words, during the entire session Spillman was the one who was just coming on and coming on and everyone kind of assumed old Wade was going to take it you see. But all of a sudden it came the close of the session, and it just became obvious that something was holding Wade back. He just wasn't getting the pledges that he ought to have gotten. He's a very nice guy, and a very personable guy, but he just wouldn't walk up there and put it on them real bad, you know. Just wouldn't say, you really ought to do it. Just you know, I would appreciate it if you would. So everyone was searching around for some sort of candidate that....and a lot of them wanted Ben Glusing. But you see Ben had gotten that same kind of losing image. And a lot of the liberals wanted to go with DeWitt Hale. De Witt is one of the most competent parliamentarians in the world. Well probably, De Witt could never have won. Although, I was one willing to back De Witt because it would be just his technical competence, and just a solid....he just had a lot of good ideas on state government and was a significant parliamentarian. But anyway,

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they had this coffee right at the end, about twelve or fourteen guys, I forget how many were there. It was out at the Terrace. Decided to back....they had a vote of all the ones there and Turman....I would have never in a thousand years have picked Turman as the one that could have won the kind of race he won. I mean Jim is a real nice guy and an easy-going guy, didn't have any big enemies, he's been real active in legislation. He'd been mostly concerned with teacher education. He was very close to TSTA but, boy when he got in that race, he took it on as a full-time occupation. And there was something about Jim, that he could, a certain naivete, or you know, "Fools rush in where the angels fear to tread," but he would go right in there and just brace them and put it on them and ask them for a vote, ask for their help. There's no substitute for this in politics, and he just got out and got around the state, he got money which was, I don't know exactly where he got it, but he got the money to make the race. He wasn't engaged in a full-time occupation. Nobody really would take him seriously at first. Wade went on back to the Valley you know, to his law practice making a living and Jimmy just took up there in Austin and got him an apartment and got some money and got an airplane where he could get around the state and he just started working at it all the time. And he had a bunch of loyal friends, I mean the kind of friends, by gosh, that give up their jobs, get down and work with you. He had old Ballman out there in West Texas and he had Hollowell over there in East Texas and Jimmy was able

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to tie up the East Texas group which Wade couldn't. Wade was from South Texas and had a large Mexican population. Wade was real liberal in a sense on segregation issues. He was not a segregationist. He was not a racist. And, therefore, they could really drive a wedge into East Texas against him. "That's the fellow voting for the niggers down there."

Brewer: You mean the Turman people actually, Turman supposedly was liberal....

McGregor: They worked him over. Certainly, did they ever. Right and left. They would get the old voting record and and look at the fellow voting for those niggers down there in Austin. You bet, and Jimmy hit this magic combination. He had all the liberals for him.... and he had all the liberals for him and these East Texas guys for him, and Wade just got caught up there on a limb and got caught from South Texas. The magic combination is West Texas, but I mean he was from South Texas. And Jimmy had some good people in East Texas, I mean West Texas, working for him, old Ballman, and he had some up there in the Panhandle, and Bryant, gosh, the first thing you know it just really was a horse race and finally, the key thing to it all was the personal aggressiveness, of Tunnell, I mean of Turman. Although, like I say, he had the magic combination, East, the only way the liberals could have won the East Texas liberal was a tie up.

Brewer: I noticed....what about your committees from Turman? You were chairman of Education and on Appropriations again and then two minor committees, I think, Banks and Banking and Oil, Gas, and Mining. Did you take your pick?

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McGregor: No, the only committee I asked him for was Appropriations. It was the only one I wanted, and I wanted to be on Appropriations committee, I wanted to be one, one of the....chairman of one of the subcommittees and I wanted to go....I wanted to be on the Conference Committee. This was after the election and I wanted to be on the Budget Board.

Brewer: These were the same things you wanted from Carr.

McGregor: That's right, exactly, the same thing.

Brewer: And did you get all these from Turman?

McGregor: You bet, I did. It's kind of interesting, too. But, in any event, Turman told me he was going to make me chairman of the Congressional Redistricting, I think, or some....no, Constitutional Amendments. And I said, well, whatever you want to do. I'm really interested in working on Appropriations. So, it was some time later he said he was going to make me chairman of Education. And this was where we had the Hale-Aiken program. When they first sent the Hale-Aiken program to Appropriations, and Cotten bottled it up, so then in the special session, they sent it to Education and, of course, we got quick action on it then.

Brewer: What was the reaction from the liberal bloc about Turman's committee appointments? Did they realize that this was just a matter of politics with people like, like Cotten as Chairman of Appropriations?

McGregor: Well, Cotten was the only one really in....in a sense so bad. I hate, I hate to use the word because I don't finalize an opinion, but what Cotten, for instance....Heatley--who I really just didn't

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get along with at all--Heatley was a very astute appointment for Carr because Heatley ruthlessly used the appropriations committee to promote his own ends and those of the speaker. I mean, you know, he would just use any thing, just line up for the college presidents or anybody else for any proposition, I mean, boy, you buck that and you just didn't have any appropriations. Where Cotten, you see, would never have. Cotten was just so independent that he really wouldn't use the Appropriations as an extension of speaker policy. Neither would he do the things on Appropriations that would be politically popular. And therein laid a problem of making Cotten chairman of Appropriations. The rest of, Jim's, of course....in Hollowell on State Affairs for the same reason. He, these people were pretty close to Jim in a way but they are so totally independent and so totally maverick, that they're not working toward any popular end on the one hand, neither are they functioning as an extension of speaker policy. And Old Hollowell would just bow his neck; would liable to be on anything. And of course, Tunnell got in the same problem when he made John Allen chairman of his State Affairs. Old John Allen got sore about something, like he got sore about the governor wanting, the governor had some bill in there, and, and John Allen--it was a reorganization bill of some kind--and old John just got it in his head he just didn't need it and he just wasn't going to get it to him and it took Tunnell and everybody else to try and get the bill out. But this is....as far as Jimmy's appointments generally go, they were very pleasing to his supporters, because he gave his supporters everything. But many, many people knew right at that time that

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looking down the road he had done something he was going to have to live with. But, the specific question you asked was how did the liberals look upon it. The liberals were very satisfied at this point.

Brewer: Was there any break in the session between the liberal block and Turman?

McGregor: No, I mean we had a lot of mature leadership, I mean, when you talk about the liberal block, it's hard to know exactly what you mean, but there was no real block as such. But we had put a lot of mature.... a lot of leadership from guys that had been there a long time. Old Charlie Hughes, Don Kennard, myself.

McGregor: Whether there was ever any break between the liberals and Turman? Now Turman played his cards pretty cagy. He....there were several things I remember that Turman finally reached the conclusion that that sales tax was going to go, too, and he didn't go out of his way to stop it after that first night. I mean, he'd done all that was required of him at that time. But, he kind of, he kind of knew it was coming, and he didn't just go overboard to, to stop it. In fact, he did a pretty good job of presiding. When all was said and done, he got so much hostility toward him because of those committee appointments that they never did him justice. But actually, he did a very good job of presiding over the body in the sense of allowing a majority will to prevail. Jimmy was very maligned, but in truth and in fact, most of the rulings that he made were rulings that the majority there endorsed and would vote

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for, and his rulings were in favor of democracy, even though sometimes they might be criticized from a technical standpoint. But, most of the liberals there understood clearly that he was doing the best he could. Now, the older ones, of course, had served under Shivers, and they'd served under Waggoner, and they'd been through tough times, and there was a lot of discipline and a lot of give and take, and a lot of knowing with Daniel out there sounding off against the lobby, and Turman being loyal to his friends they'd had the best deal they'd ever had. And they really worked to do the best they could, and they really compromised around those things that would reach that end.

Brewer: Do you think the speaker's race resulted in part of, in just some members of the House obstructionist measures during the session?

McGregor: Well, there was always some of that, but Jimmy's loyal followers over rated that. There were some big decisions being made that session, and you can't call people obstructionist that pass a sales tax that lays the foundation for as many state improvements that have been made over the last few years. Certainly, there was a little psychology in defeating the governor and defeating the speaker in their alternate tax proposals before they could really come on strong with that sales tax.

Brewer: Was it apparent at the time that Turman's victory was perhaps just a one-shot affair and that things would revert back to the control of the lobbies?

McGregor: No.

Brewer: Or, do you feel that Turman's election was a defeat for the lobbies?

McGregor: Oh, well, some. Some lobbyists thought it was and some that it

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wasn't. I mean when you talk about the big power in the state, certainly, it was a defeat for the big powers. I mean he defeated the oil and gas, and the TMA and all those folks that had really worked against him. The aftermath shouldn't have been as disastrous as it was. If Jim had worked harder at appeasing the conservatives, and if the House had solidified between a better person than Tunnell, it need not have been that disastrous.

Brewer: What do you mean? Why don't we just move to the speaker's race in 1963? What do you mean a better person than Tunnell? Personally, or as a politician or both?

McGregor: Well, Tunnell is a tough, mean person. In addition, he is very conservative in his outlook. Tunnell has always been very, very close to the lobbies, the big lobbies. He's been very conservative in his outlook. He has been very ruthless in the human relations side of it. Now everyone thought immediately that Tunnell had no chance. When I say everyone, the greatest thing Tunnell had to overcome was the idea that, just like Joe Burkett, he couldn't possibly be elected speaker. A man with that many enemies, and that one-sided in this and that and the other, there was no way he could be speaker. And it was only because of Turman that allowed.... that made it possible for Tunnell to come up, you see. If Turman had really healed the breaches and done what he could to really get responsible conservatives with experience into positions of prominence it wouldn't of, it just wouldn't have cut off the ties. See, Turman not only beat the conservatives so much, but he brought



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in new people, people that weren't the traditional type of conservative. Ballman was a conservative, perhaps, I don't know, but he was chairman of the Revenue and Tax. But it was new blood. The thing that Lindsey did, it's what Carr did not do. Carr kept so many of the old, old heads around, you see, but Turman didn't. So many of the guys that had been influential for session after session just found themselves without good committee appointments at all. I mean, my God, people like Maurice Pipkin, who is a very able one and been there for a long time just found himself with very poor committee assignments, something he had never experienced in some six years. And this all built up a kind of situation that allowed Tunnell to really come on.

Brewer: What kind of failure of the opposition to arrive at a common opponent to Tunnell. For instance, could you have supported Tunnell in '63.

McGregor: Could I have?

Brewer : What did you do in '63?

McGregor: Well, there was just no candidate that ever got off the ground. No, I believe we supported Jamison, didn't we?

Brewer: Yes. Jamison ran.

McGregor: Yes, I worked for Alonzo and supported him and did everything I could for him. But, Alonzo just, he just couldn't really get off the ground. Alonzo had some of the problems that Spillman had. Alonzo was just one of the nicest people that ever was, but Alonzo just didn't have the toughness that allowed a guy to walk up and really tell a fellow that he ought to support him, because if you

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don't it's going to be bad on him. (laughter)

Brewer: Over all, though, do you feel as you say that the aftermath shouldn't have been as disastrous as it was, but do you really feel that the big lobbies were going to get their candidate back? I mean do you feel that this is the ordinary procedure of the legislature?

McGregor: Well, certainly, the big lobbies were going to have a candidate. But you have to remember that always before, Tunnell, I mean before Turman, either candidate was supported, endorsed by the lobby. In other words, that was a prerequisite to run is that you had lobby approval. So that every candidate prior to Turman had the support and endorsement; it was just one was going to be in. And Turman was the first one that where they really lost out big, and they were going to come roaring back. So you would have had to have a candidate that wouldn't have allowed the lobby to bloc up against him, anyway. But you just never had a conservative really, you had to have a conservative candidate to win. That was just automatic, and of course, Alonzo's running kept any conservative out because the liberals were behind Alonzo. But you would have had to have a conservative candidate. You had to have a middle of the road candidate that would have the lobbies' backing. But just no one that really had what it takes to catch fire got out and ran. None of them.

Brewer: I noticed your committee assignments for 1963 were very poor. Was this the way Tunnell just generally handled it? You mentioned he was very ruthless. Is this the experience of all liberals.

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McGregor: No, No. He was a....no, Tunnell did not make the mistake that Turman made. Tunnell gave liberals by and large much much better committee assignments than Turman gave conservatives. Tunnell went into it with full knowledge that it was important not to let the opposition bloc up as it had under Waggoner and had under Turman. So, he made every attempt to keep communications open and to allow nobody to really bloc up against him. My personal differences came, as I thought I said earlier, over the fact that I never did pledge him hoping that he wouldn't change the rules that we had changed in Turman's session there. But....

Brewer: You were more or less singled out?

McGregor: Oh, kind of. And of course, you realize that Tunnell brought Heatly back in, and Heatly and I just really don't care for each other at all. So with Heatly chairman of appropriations, there really wasn't much point of me being on it anyway. I would have just been a thorn in the side of Heatly. So Tunnell would have had to make the appointment over Heatly's strenuous objections. Plus the people that supported Tunnell from El Paso would have objected greatly to any kind of decent committee appointment I got. So, the ones that he gave me, were not, they weren't real bad. I didn't think they were.

Brewer: Well, if we might back up just for a moment to 1959. What was your reaction to the move of the legislature resetting the date of the Democratic primary?

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McGregor: Oh, I just opposed it just vigorously. I just feel so strong about anything that's going to cut down on the number of candidates. But this was a big thing. They set it up that way so that Lyndon would already have his appointment and go fly to the convention. But you see a bill of that nature had been introduced into every session that I had been in the legislature by Old Marshall Bell from San Antonio. And Old Marshall Bell wanted to move the election up from June into May so that all his rich supporters wouldn't be on vacation, number one. And number two, the law school students couldn't run against him. And this was his, this was what he said. He carried his bill around trying to get it out. Out of the heat of summer would be nicer campaigning and would keep those law students from running for the legislature. Make them run while they're still in school. But the point is it is just utterly ridiculous. The way it is set up now, you go through a solid year's campaigning, and it's just unbelievable that someone would deliberately set up this kind of situation, because if you would move those elections back to September then you would have that November election but then everyone could wait, you see. Then if you could do something with your filing deadline. But the way it is now, you have to file for office by the first day of February. You don't get your first election until May, your runoff in June, and then your general election in November. So it's effectively ten months of campaigning. Your television time tends to wear out on you. Suppose you have two real campaigns. Well, the money you spend

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May is just almost totally lost for the build up that is required for the following November. If you would put your generals and your primaries close together, they....you could....it would be kind of like the money you spent in a runoff is never but a fourth or third of what you spend in the first election because everything is pretty well frozen and that's the way it ought to be. But they've got it set up now deliberately to work on behalf of incumbents and when you tie that with the fact of the poll tax, it just is even more enraging. That the poll taxes are closed before anyone really knows who the candidates are.

Brewer: That same session they also submitted a constitutional amendment for the permanent salary. Do you think that state government is complex enough now to require a full time politicians as on a federal level?

McGregor: Well, yes. In other words, I have always been of the opinion that more or less you get what you pay for. And the more you pay a man to go down there and serve, the less conflict of interest you've got a right to expect from him. And also, you hire the quality of men you're going to get. If you pay a good wage and by and large you're going to have more competition between more competent people. And this is strictly a part-time thing where everybody has to have outside side employment and all that and it's just not going to work as well.

Brewer: Do you think we'll ever get it? Do you think sentiment is building in the legislature for more of this or....?

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McGregor: Oh sure, the wages are going up everywhere all the time and they'll go higher, it just....

Brewer: Being from El Paso, what was your reaction to various measures over your years in the legislature on liquor by the drink and parimutuel betting?

McGregor: Well, I was always in agreement. Some of the local wags went and put it that since 1881 when the railroad came to town, El Paso had voted for sin at every occasion. But, I always had supported liquor by the drink and the pari-mutuel betting, which wasn't much of an issue actually. But the truth of the matter comes down to this, that in putting sin aside, El Paso would be greatly benefitted if they could compete with Juarez in entertainment. Until you've got mixed drinks in the restaurants so that you can afford to have good entertainment, it makes it almost impossible for them to compete with Juarez. And so if you don't really have restaurants here of proportional quality to other towns of this size and would enhance the tourist positions. El Paso is an attractive place from a tourist standpoint even in the wintertime. And as far as pari-mutuel betting goes, of course, you've got from my house,...it is closer to the race track than it is to the airport. And about the same distance to the dog track. So it really wouldn't have much effect upon the morals of the community but it would mean the money was in El Paso County.

Brewer: Did you ever, even though the issue never was got to a serious vote in the legislature, did you ever feel any pressure from certain

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interests in El Paso on pari-mutuel betting?

McGregor: Well, some of the dog track folks didn't want it. And of course, it was such an easy thing for us to vote against. There is absolutely no pressure for it. I mean pari-mutuel betting, because of all the local folks, the stock holders in the New York, I mean the New Mexico track. The town is not big enough for two tracks. So it is the kind of thing it would be easy to vote against. But I didn't get any pressure except from church people who just didn't, as a matter of principle, didn't want it.

Brewer: What issues do you feel that you did get pressure on from home the most in legislative matters? Oh, for instance Daniel's escheat bill.

McGregor: Well, these bankers really got fired up. And they let you know it in a great big way. They, really, when you look at it in terms of a national issue, their reactions completely were just like, just like bullets. I mean, they took it in their terms of words as a socialistic confiscation, and yet about thirty-six states in the Union have an escheat bill. It's one of the oldest doctrines in the Anglo-American jurisprudence. The doctrine that when a person dies without heirs, his estate escheats to the state. And of course....but in any event they took it very seriously. And all the bankers got together, and they were very, very excited about this.

Brewer: But, other than this, were there any other general areas where you did get a lot of pressure from home or was it pretty much you were on your own?

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McGregor: Well, El Paso is very much removed from the legislature, and the people don't really know so much what's going on. Now the lobbies that work through your home community, you're always inclined to get a response. The teachers are very good about writing letters and stirring up action, and most of the letters I got from El Paso in the eight years I was there were from teachers on behalf of school legislation of one kind or another. Another people, another group, the railroad people were able to stir up some pretty good letter writing campaigns on rail-trucking disputes and the truckers. You know they always have these bills to increase the load limit, and length of trucks, and the truckers were always good at getting letters out, and the railroads also in getting their letters out.

Brewer: But you found primarily that it was generally various lobby groups that would generate the letter writing, but as far as just say, the average man on the street, especially with the sales tax, which was an issue in....I think more among the populace than any other issues in state, did you get many letters just from people?

McGregor: Very, very few. A very few that weren't really organized to write. People had pretty well accepted that they had to have a tax of some kind, and there was little repercussion in El Paso on the sales tax. Local bills is where you know you can always generate a little interest. And I had that bill to keep people in El Paso from buying gasoline in Juarez once. Boy, I got quite a handsome response on that one. But I made the mistake of miscounting the number of automobile owners as opposed to filling station owners.



I didn't make ever that serious mistake again.

Brewer: I noticed, too, in 1955, unless there is a misprint here that you voted for one of Parkhouse's bills which prevents strikes or picketing to urge, compel force for recognition of the union.

McGregor: I've forgotten, I've forgotten that particular bill, but I probably did. That was my....

Brewer: How has been your voting record on organized labor's tally sheet?

McGregor: It got progressively better. (laughter)

Brewer: Like all decisions, as you said before, you became increasingly liberal.

McGregor: Yes, you see, of course, and another thing too, very very few laymen really understand the techniques of collective bargaining. And when I went to the legislature, I really didn't have any real knowledge of unions, and how a union might function, but I took labor law in law school, and that gave me a real insight into the legal framework of how labor laws tie in with your workmen's compensation, unemployment insurance, and you begin to get a whole picture, you just get a different perspective on the relative positions of authorities. Your first inclination, of course, is always to think in terms of individual rights as opposed to labor bosses trying to enforce their will upon these poor helpless employees. But the more you get into it, the more you understand that the only security that a labor man has oftentimes is his rights under his collective bargaining contract. And that a collective bargaining contract gives security and gives relative freedom to an employee

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more than any kind of paper coercion that might exist relative to being in or being out of a union. And I'm sure that you could take isolated cases, like maybe the dock workers some place, or the miners, I mean the mine operator, sort of people, or some place where they've got real strong unions, and then union discipline where they can fire you or suspend you in the union would really be meaningful, but in Texas that's not true at all. Unions as we see them are relatively weak, and for the employee working in a plant the best thing that could happen to him is to come under a collective bargaining contract where then he could have security undoubtedly. He couldn't be fired except for good cause, he would have the right of arbitration, he would have really meaningful negotiations concerning his working provisions and hours. So once you start, once you begin looking at it from the same standpoint as the national legislation is framed, in other words, it is a policy of this country to promote collective bargaining if you once accept that proposition, then it changes the whole picture and the way you look at it. Looking at it from the standpoint of trying to promote collective bargaining on the other hand, from the standpoint of feeling that an individual ought to have the right not belonging to anything he so chooses, you see, this changes the whole world.

Brewer: As a liberal, what was your reaction to the bill that failed to lower the voting age to eighteen?

McGregor: I wasn't deeply involved in it. I voted for it, but I'm so much more concerned with trying to get the ones who ought to be voting

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now, voting. Having the eighteen to twenty-one voting would be nice but if we could just abolish the poll tax and set up permanent voter registration, it would be so much....that's the more immediate problem.

Brewer: It looks to be rather obvious though that it will take federal law to take care of the poll tax now, doesn't it?

McGregor: No, I hate to tell this story, but we would have the poll tax repeal today if it hadn't of been for Eckhardt and I.

Brewer: How is this?

McGregor: In Connally's first term, when Connally got elected, he was committed to repealing the poll tax and had the power to get it through. And you see in the election, the November election in which he was elected, that was when they had the poll tax and horse race referendums on the ballot, if you will recall, and the people voted in favor of repealing the poll tax. So the legislature, acting as if it had a mandate, of course, put through a simple basic repeal with no strings attached to it. But the question came when should the effective date of it be, and when should it be submitted to the people? Now, organized labor and Connally took the position that it ought to be submitted at the November general election. Eckhardt and I were so confident that the people would vote it down, the full tide was moving so quickly, we wanted to vote it out in that year, '63, so that '64 would be held without poll taxes and we were so intent upon this and so sure of ourselves, that we worked and worked and worked and finally got our date written into the bill. Now we

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picked a perfumen, but we just were so sure and I worked so hard you see to get the permanent vote registration passed, and when we finally got down to the final vote, of course, old Cotten was in there helping us, because he was sure the people would vote it down, and we got the date written in for the fall of '63, and sure enough it was defeated.

Brewer: Do you think it would have been voted out in the general elections?

McGregor: No doubt in my mind. All you have to have is a big turnout and get it tossed down. But in the fall of '63 was when there were a good number of civil rights demonstrations in the South and so much unrest, and it occurred about a month before the election. And we really worked hard in that election. We got a good vote out everywhere. El Paso county, of course, voted overwhelmingly for repeal but if we had had general election, we would have done it.

Brewer: Do you think it's possible now after the defeat of the amendment to get it back on the ballot?

McGregor: Well, it's back....Didn't get passed this last time. Don't they finally pass it or not?

Brewer: No, you know the amendments to the federal constitution abolished it for federal elections, but we still have it for state and local.

McGregor: I know, but I thought they passed a constitutional amendment in the last legislature. But they didn't?

Brewer: No, I don't believe so.

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McGregor: They had it, but they only lacked about four votes of getting it through, but I thought they had gotten it through. They were trying to write into that one, annual voter registration and, of course, I think that is as much a sin as a poll tax itself.

Brewer: I know in '63 you warned about twenty-five cents registration fee.

McGregor: Being a two bit poll tax....Well, it's so pointless. A registration fee is all right if you have a permanent voter registration system. In other words, you might have a fee if a guy just pays it one time, but to put it on an annual basis....I think the court, assuming the poll tax should become illegal and unconstitutional, then I believe that the twenty-five cents annual fee would be unconstitutional. You're just changing the name of it. The mechanics of permanent voter registration are so handy and make so much sense and do all the things you want a registration system to do that to cling to annual registration simply in the hopes that you're going to disenfranchise people cause you're going to make it hard for them to vote is a poor way of planning your elections. (Tape stopped for 18 seconds)--Apparently a question asked about slant-hole oil drilling. I believe one of the Murchisons over there in East Texas drilled a well on his property that tapped one of Phillip's Petroleum Company's underground reservoirs, and he just started pumping that gas out to beat the band and, of course, they got pretty excited about it, and they filed a big law suit. Now the law of oil and gas has always been the same as that applied to wild animals. That gas was a wild thing and that once you took

it into your possession and tamed it, it was yours, but if you turned it loose again, it reverted to its natural state, you see. Well the gas had been turned loose in the reservoir and was subject to being recaptured. Well, Frank Owen had a Senate bill to give them condemnation powers or whatever is necessary but redefine the law so that when they turned it loose, so that some fellow couldn't just drill in and tap it, so they got the bill going late in the session and Turman was wielding the gavel, and I forget the specific motion, but just a beat of the gavel he killed that bill but I think, as I recall the court later....

Brewer: You mean Tunnell....

McGregor: No Turman, Turman was the one who saved Mr. Murchison's gas well down there with one blow of the gavel, but the court later decided against Murchison, I think, and held that the gas for Phillips.

Brewer: One other....in the 1963 where just the comment that all civil rights legislation died in committee. In 1963 apparently there were some bills that would have been pro civil rights.

McGregor: That's right, that's right.

Brewer: What was your position on these bills?

McGregor: I supported all of them and we had a few motions, I think, to instruct committees to report, and I know that Governor Connally was particularly concerned. They had a bill by Howard Green. A bill that would make it unlawful to discriminate on race, color, or creed in the school system. Or maybe in the hiring and firing. Of course, Allen Neese always carried a fair employment practice act,

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which was never got before the light of day but one, they had the two bills going at the same time, to ban the U. N. flag, which was a hot bill from my standpoint and this other bill to....

Brewer: Talking about a bill by Howard Green....

McGregor: That would be significant from the standpoint of equal rights. It would put a lot of people, a lot of people on the spot, but the governor used all of his influence to keep that bill in committee so that it wouldn't get out and put Tunnell and his people on the spot, although, he didn't do much on behalf of bottling up the anti-U. N. flag bill.

Brewer: But this didn't get out either though, did it?

McGregor: Well, you bet it got out of committee and was voted on the floor of the House and finally just got out, ripped off by the lateness of the session. They couldn't get the two-thirds vote to get up, you see. Everything required a two-thirds extension of the rules.

Brewer: Are there certain people in the House, in your years there, who were more prone to perhaps, extreme legislation like Dungan, and there was a man from Houston, I believe, it was in your years there, introduced a bill about communists?

McGregor: Well, communism had kind of died down during....that was back in '51 and '53, you see when they had the Port Arthur strike and all that kind of thing going, but in my years, the communism thing died down, but the segregationists came on and Dungan, of course, and Chapman and Sadler were sort of the leaders in that group.

Brewer: Then there was this textbook controversy.

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McGregor: Oh yeah, one of the funniest things that ever happened. (Laughter)  
Let's see if I can recall. Joe Chapman was handling a licensing bill for the professional engineers or for the public accountants, the public accountants was who it was, you know. They've got public accountants, and certified public accountants. I believe it was the public accountants. So it was set for the State Affairs Committee at the same time the old, the atheist bill was set. Now the atheist bill, what made it....

Brewer: This was the supreme being oath?

McGregor: Yeah, that if anyone taught in the colleges ought to believe in a supreme being. So all the college kids had come into the balcony, you know, to hoot old Joe as he talked on behalf of his bill. So he got in there and the way they handled the State Affairs, the guy speaks right at the end of the table, and then behind him, behind the microphone, sit all the proponents and opponents of the bill. So old Joe really got to waxing strong on this supreme being court thing, and all the kids in the balcony were hooting and hollering and finally the chairman was rapping for order, and so Joe, finally just turned around and he just started pouring it to them. He says, "If you children up there in that balcony", he says, "your mother and fathers back there on their knees scrubbing and working to keep you down in this school and here you're down here promoting atheism". And he turned around by this time to point out the preachers and denounce them who'd appeared, you know, on behalf of freedom of religion, but the preachers had been moved



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out unbeknownst to him, and the public accountants had been brought on, all the public accountants were sitting there, so Joe just wheeled around, and "you ought to be ashamed of yourselves down here on the hill with this bill". And the poor old fellow, he was the sponsor of their bill, they thought they had been shot down before they had ever got up, you know. (Laughter)

Brewer: What was the liberal position on the textbook controversy? Did they really deem it serious. Roberts' tangle with Dungan?

McGregor: The mechanics of the thing are such that it would hardly ever get too....sure it was serious. It was aggravation and everything else. But actually, the legislature doesn't pick the books. The State School Board, which is made up of elected members from each senatorial district, I believe, or each congressional district, it's each congressional district, elects a member to the State School Board. The State School Board then had a committee that decided these textbooks. So the legislature really doesn't have direct hand in the process. Now, so when the committee started questioning, the committee was going to denounce all these textbooks. But there is such a split that developed in the committee that the committee's usefulness never...it wasn't, it just never became useful for any purpose. It never resulted in any legislation on the one hand, neither did it ever seriously embarrass the public school board.

Brewer: You don't think, then there would ever be enough pressure in the legislature for any type of legislation that would change the procedures?

McGregor: Well, the effect of the committee, it seemed to me, was to give semi-legislative sanction to these people who were just down there howling, you know. At least, the legislature certainly didn't condemn them in any way. Now, the real, the real work of those folk has been in going before the committee and getting the committee itself to tone down or have publishers tone down books, or have books withdrawn. I mean that's where they have been pretty effective. And it hasn't been what they specifically had done because, they really, you can't point to anything they've really done too much, but if they are going to protest books that are just so mediocre and just so mild and bland that they shouldn't alienate anybody, what do they do to any book that's really got some guts in it and got some vigor and got some opinion, you see. They don't even consider those books. So, no question that it's had a stifling effect upon the choice of textbooks. But the legislature.... like so many things, there's no showing that this committee hasn't functioned as good as the legislature would have functioned, having it removed from the legislature they probably endured the periods better than the legislature would have.

(Tape stops for thirteen seconds--Apparently question about controlling the "loan sharks".)

Brewer: Will you discuss the background? What eventually was done in your role?

McGregor: Well, I didn't get into it voluntarily. That's one of those issues nobody can win on because it's just so terribly complicated on the

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one hand, and on the second hand, the interests that are competing in it are many, and you just make so many people mad no matter what you do. It's one of those things that's so easy to stay out of because the people that you're really trying to benefit hardly ever understand that you are trying to help them. But the issue really got started back in the old days. Charlie Hughes back in '52 and '54 and D. B. Hardeman and we had, I think, Don Kennard, always had some kind of loan bill. Now the problem in those days was that the constitution carried a ten percent maximum interest rate. So the question is what can you do about regulating interest when nobody can charge over ten percent. Now the reality of the situation is that nearly all of your so-called consumer finance....

Brewer: Had the attorney general given any opinions about the ten percent being true interest or flat interest?

McGregor: Well, there had been court holdings. In other words, there are any number of suits, and the only breach in the ten percent figure was the fact that a man could have a cash price and a credit price. You could go in a store and you want to buy something for \$40.00, and if you pay \$40.00 cash you have it, but if you want six months you have to pay \$60.00. Well, of course, that's just an excessive amount of interest, but at the same time, the court held you could have a cash price and a credit price. That was the only breach. The way, for instance, the way automobile financing was done of course, was they would enter into a six percent contract between the dealer and the purchaser, and then the dealer would discount it to the bank so that the effective rate of return to the bank

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was probably somewhere around twenty-four percent. But the, the truth of the matter is, that the entire consumer credit industry is run at about anywhere from twenty-four to thirty-six per cent interest. Now it varies. Small loans just run terribly high. Now, the minimum is thirty-six percent on a small loan. That is the minimum rate. Now if the loan is under a hundred dollars that interest, the effective rate of interest, will be a minimum of about 120 to 150 percent. The standard loan, for instance, is if you borrow \$50 for three months, pay back in three monthly installments, you pay back \$67.50. So you're paying back \$17.50 for a \$25.00 loan over a three month period. So you can just see how really spectacularly high.

Well, now the problem in doing anything very effective about it is the \$5 to \$50 lender knows that he really can't exist under any kind of regulation. You can't pass a bill that he can live under, that the public generally would accept. As soon as they see that kind of rate of return in black and white, they come down there wanting to lynch somebody. So he doesn't want any regulations. The enormous out-of-state chains would like a very tight bill somewhere around a maximum rate of thirty-six percent. Three percent per month. Although they like it stated in terms of dollars per hundred because it's easier on their tables. But now the large domestic lenders, the people in Texas that loan money, make small loans, but they loan over \$100, they want the status quo, in other words, they're afraid of the chain. They don't want these big national outfits in here competing because

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the chains have so much money, and they can afford so much advertising, and they can afford to operate on such a narrow profit that they generally drive most of your domestic independent operators out of business or buy up their stores or something. So your legitimate domestic people are scared of the chain, and the chains want to come in and they want to do away completely with the five to fifty-lenders, you see. And they just want to loan the same guy, make bigger loans to him. They can consolidate and make bigger loans and put him out of business. So the five to fifty lender, he doesn't want any regulation whatsoever, and the general public is just wandering around in a daze because the practical matter they are paying this interest now. You buy from a department store on time or you buy anything and finance it or you go get a loan anywhere you pay these rates that are in this bill.

And, of course, one of the great dodges that the whole Texas lending industry was operating through was insurance. They would have this fraudulent insurance. You would go in and sign a loan for ten percent, and look they had a certificate plan which really boosted your effective rate of interest up to about eighteen to twenty percent, but, which was supposedly semi-legal. So you see these guys operated on a certificate plan which gave them twenty percent going in, plus they would sell you all kinds of insurance, and they as insurance salesmen would get enormous rebates back from the company. And so often this insurance really didn't represent

a spreading of risk so much as it represented a device for obtaining a greater amount of money on the loan. Well, things were just coasting along, and the problem is how in the world do you deal with this. Well, if you've got a ten percent maximum insurance, maximum interest, written in the constitution there isn't any way you can deal with it by comprehensive legislation. But these guys way back there devised what they called the old jailhouse bill. And they just drew up a bill to the effect that anybody who charged over thirty-six percent interest was guilty of a crime to be punished by a \$500 fine or six months in the jail. And that still has magnificent advantages to it. I've always thought about that bill fondly. But anyway the lenders just weren't going to sit still a minute for taking a bill that put that on them without giving them any security or any sanction. And your big chains like Household Finance wouldn't even operate in Texas because they couldn't do so legally. Well, finally the Supreme Court handed down some decisions involving interest and involving loans which made it clear that they were moving in the direction of applying the ten percent simple rate to everything and including these enormous insurance rebates into the cost of a loan, which just made it obvious to everybody that something had to be done. So, do you recall which session they passed that bill?

Brewer: The actual bill?

McGregor: The constitutional amendment.

Brewer: Hold it a minute.

McGregor: In 1959 we passed a constitutional amendment that could take off

the ceiling, and leave it up to the legislature to set the effective rates of interest. That bill, the constitutional amendment, didn't pass. So in 1961 we were faced with the problem for the first time of really passing a comprehensive small loan registration act. And I took the position that what we ought to pass was pretty much to the standard uniform small loan act. And Frank McSkell, who at that time was working for the Legislative Council, actually did most of the work. There were two council studies on it, and he drew up the basic bill and, of course, we were going for the thirty-six percent maximum and strong regulations and strong penal provisions against people that overcharged. Putting on about a \$1500.00 maximum limit and not making any reference for number of offices or any limitations on the number of offices, whereat this point, the industry fell out among itself. The insurance industry wanted the provisions so that the insurance premium would be in addition to the total charge. We just put the insurance within the total charge for the loan, which meant if they wanted to write insurance, or anything they wanted to, that was their business, but it was going to be computed in the cost of the loan. Of course the industry, the insurance industry, wasn't going to have this for a minute. They wanted it in addition to, so that it would be an additional inducement to selling insurance. The \$5 to \$50 lenders, of course, were still fighting any kind of regulation or at least, they wanted a \$5 to \$50 provision in there that would let them live, which would mean an

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enormous return, and we weren't going to make any kind of special category for the \$5 to \$50 lender. Now the domestic people were just running around in circles. And in my opinion, there was only one way they could have ever protected themselves, and that was with a certificate of convenience and necessity clause. So that you would let out these small loan charters just like you do a bank charter and limit it to so many offices per hundred thousand population. That would have given them a real investment in their charter. But they didn't go that route. The route they went and what they were trying to do, was trying to say that you couldn't operate in Texas unless you had seventy percent Texas ownership in a corporation plus you could only have so many offices in Texas on a sliding scale. But these things are unconstitutional as an unreasonable and arbitrary classification and the denial of equal privileges and immunities, you know, to deny a foreign corporation the same rights and privileges as a Texas corporation enjoys.

So anyway, they went ahead and went off on that basis, but we finally got, in the closing days of the session, we got our bill through and Kennard and I were on the conference committee, and Frank Owen and Culp Kruger and some of the Senators on the other side. Now, at this point, the industry pretty well knew it wasn't going to get the kind of bill they wanted. I think that the finance companies and everybody knew that they weren't going to get a kind of bill that they could live with. The industry itself really hadn't faced up to the fact that they had to



have a bill. But, but over and beyond that, the House, the Speaker of the House, Turman, was very friendly to Household Finance and the chains. So the lieutenant Governor and the people close to him were committed to old Vernon Lemon and the little lenders, the \$5 to \$50 boys. So the Senate committee was, the majority, was sort of committed to the \$5 to \$50 lenders, and the House side wanted these bills similar to what the chains would want, which is a minimum amount of interest that can be charged plus a clean hard regulatory bill that the chains can live with. But there was no way then of getting those groups together, you see. And then if you had had the large domestic lenders and the chains there was....would have been an area of compromise. But there is no bill that the \$5 to \$50 lenders could live under that the big chains really wanted and would help. There was just very little ground for compromise.

But the position, in order for the Senate conferees not to be in position of protecting a just unconcionable interest rate they had to push for such a strong regulatory bill that you know the industry could not buy it. So they put up the big front of pushing and pushing and pushing for the strongest regulatory bill possible, and our problem on the House side was, was trying to hold it back and what we thought we might could sell. In other words, if we went too far and the House voted against it, then, of course, we would get the onus of doing it. So, finally, we jockeyed them into a position where we had a bill that we felt

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was sure enough tight. If we had passed it, it would have been the tightest regulatory bill in the United States. And we didn't know whether we could pass it or not at this point. Of course, none of the industry wanted it although, Household Finance, for one, said they could live with it, but it was tight, so we brought it back in the House then adopted the conference committee report, but the Senate rejected it, which left the burden on the Senate, where it ought to have been for failing to arrive at a bill. So then in the '63 session, it was one of the major problems. We tried hard to get Connally to take a strong hand in favor of low interest rates, but Connally kind of took a hands-off attitude and sort of let the industry kind of write its own bill. And Tunnell of course, wanted conferees, and put in a committee where it received, where the industry spokesman was very well received indeed. So the bill was finally passed, of course, containing a \$5 to \$50 section, which set up these rates to somewhere around 150 to 200 percent interest for a \$5 to \$50 loan, and then had the tighter rates on larger loans, although they still go up as high as forty-two percent along in there, plus they're getting the insurance section in addition to it. But there are safeguards in the bill. It's a strong regulatory act, although it certainly allows a lucrative return to the lender.

Brewer: In what way?

McGregor: Well, it allows him to charge a very high rate of interest.

Brewer: In what way is it regulatory?

McGregor: Well, it, it provides all kinds of sanctions, he gets his license, it's a violation of his license to have undue harrassment methods or to charge outside those published loan things. I think it carries a provision in it that they forfeit any interest at all if they charge above the rate, and of course, it provides penal sanctions for any person that operates without a license in the small loan field.

Brewer: Enforcement is given to the state banking commission?

McGregor: No, to the state small loan. There's a special small loan commissioner set up for it in, it could be in the banking department, but Mesquell was, who really knows more about it than any other man I know, was appointed by Connally to be the commissioner. And I read just the other day he's going down to Houston and hold hearings on the harrassment methods that have been going on down there. But the big difference between our bill in '61 and the bill in '63 was our bill had no provisions for the \$5 to \$50 lenders, our bill on the man who loaned above on the standard small loan was very tight, and the rates were very modest. Looking at the national rates, where the one in '63 was very lucrative and had quite a lush return, and we had all kinds of insurance regulations where they couldn't hardly load up with insurance. This bill had some provisions but not enough safeguards for the insurance sections, but in our bill, of course, we provided all kinds of remedies like attorney's fees could be collected from

any of these guys operating outside on behalf of the borrower, so that we gave the individual borrower quite a method of redress. He could go to his attorney and his attorney could collect his attorney's fees in the suit, and none of that is provided for in the other one. Ours truly was a bill that protected the lender. The '63 bill is a bill that was designed by the industry so that it could live under it very well, and yet it had regulatory provisions in it. It's kind of complicated.

Brewer: Well, would you comment on being a legislator from an urban area on the rural-urban situation in the Texas legislature?

McGregor: Well, you know, individual legislators vary so greatly that it's hard to draw really true generalizations, when you get to thinking of individual legislators. The big problem, it seems to me, occurs when you have these rural-dominated legislatures. It is not so much an open split between the two groups because those lines cross and recross over and over. But you just have a different kind of political structure back home. Now the things that really worry an urban legislator are just no problem at all to a rural legislator. Now for instance, I remember when Fort Worth was trying to put in that Gruen plan and they were trying to set up....

Brewer: You mean Carling?

McGregor: No, Gruen, this was way back in about '54 when this would renowned designer drew and designed this renovation of the downtown of Fort Worth. But they needed legislative acts, so that they could

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seal off and condemn and put up municipal, they'd have four municipal garages you know, and the space inside would be closed off and you would have trees and plantings down there on the streets, these electric cars carrying you back and forth. And they tried to run with that. Well, of course, the garage owners over the state as an association oppose it very effectively. But that's the kind of thing you just couldn't get rural legislators interested in, not at all. Now you have any other number of problems that come about, especially your streets, your urban renewal, slum clearance, street remodeling, any of these things just don't affect rural people, and they don't think about it, and they're not concerned about it. So you really can't get, you can't get the debate going in these directions, to work at solutions. They just don't have many....the problems are just completely different. Now where these great problems exist like a lot of times in milk, keeping out-of-state milk out or setting up aid classifications or citrus classifications, well the urban legislators are not very interested in those, either. But, when all is said and done, you come down to the idea that some sixty-five or seventy percent of the people are in the urban areas. And these are the problems are the big problems, that are facing Texans. I think probably all over the nation has these sprawling suburbs, and you've just got to get these legislators more in tune with those people so that you can think more in those terms. Now not a lot of thought is being done anywhere, I don't suppose,

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outside of California and New York, in these truly big problems, but they are going to become problems, and you need to get the representation weighted in the area in which the problems are so that you are going to be able to get at a solution.

Brewer: Do you think this will, has been done or will be done even though there is a constitutional provision for reapportionment?

McGregor: Well, you know, what I've always hoped to see and I don't know, sometimes, sometimes, you know you get off on the idea that a rural legislator that has less community pressures on him sometimes can respond in better ways than a man who is so closely tied to his community and has to do what his community wants. I mean there is a certain independence sometimes of being free from problems that makes these people statesmen instead of politicians. But the thing that I have always worked so hard for and have always believed in is trying to subdivide counties into districts so that you can get your legislatures so that each legislator represented a manageable number of people. Now to have some eighteen people running at large in Harris County is just ridiculous. There's hardly any way the electorate itself can make an intelligent choice, and no way that a man of modest means can run in an election with 1,300,000 people. But if you could get these counties divided up, of course, you would have liberals in the legislature, you'd have all kinds of things but each guy would have his own district, and his district would be manageable. And that would make him more closely attuned to his

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own people. Now whether that would give him opportunities of statesmanship that come from an incumbent from a large district where he knows his opponents are just very hard, they are hard to appoint to run against any incumbent from a metropolitan area. But, I think, I think over the whole it would be a very good thing if we could do that and then you would get, you would begin to get a majority of the legislature thinking about the kind of problems that are facing the majority of the people. And I think this would be a good and wholesome thing for state government.

Brewer: What about the State Senate? Is this a more serious situation than the House?

McGregor: Well, the State Senate, of course, back in Turman....in '61 which was the first legislature after the decennial census, we reapportioned both the House and the Senate and, of course, at that time in the House, Turman was a rural legislator. He set up a Rural Redistricting Committee, and I forget who the chairman of it was, but Ballman was influential in it, and several others. And they set up guide lines that were more fair than what then existed, but they were heavily weighted to rural areas. They set up rural districts around 40,000 and urban districts at around 60,000 as the basic guide lines. Of course, this has a semblance of being fair in that you are taking away lots of people from rural areas anyway, but the Senate didn't even go through the pretense of redistricting, so the story goes,

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everyone knew that Rupert, Minert, was retiring after that session, so they went up to him and asked him if they could cut his district up and give it to the others, and he said "No". So they didn't even cut his district up. The only changes they were going to take Midland out of his district but then they put it back in, so it left Midland, Odessa, and El Paso all in the same district. But the Senate would never be able to pass that redistricting bill as a separate proposition, so what they did when the House passed its bill after a vicious fight-because nothing so tears up a legislature like redistricting. It's the one thing that touches the concern of every member, and each guy wouldn't be there if he didn't want to be there, and when you start telling him he's not going to come back, he gets pretty excited about it. There's almost no issue he won't compromise on in order to save his seat or to help his district in a redistricting issue. So, it's a very vicious decisive kind of issue. But anyway, when they took the House bill to the Senate, the Senate just tacked their bill on as an amendment to the House bill, and when it came back over to the House, it was passed in that form. It was on a take it or leave it kind of deal and no chance of making any changes at all in the bill, so it's....it had to pass. But the constitution provides that the Senate is supposed to be apportioned on the basis of qualified voters except that no county can have over one senator. Now, I think, clearly this provision is now unconstitutional. That part of our constitution is a repulsion to



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the federal constitution, so you would have to say that you-- now the Senate must be apportioned on the basis of one man, one vote kind of a deal. But that is being, is one of the really important issues in the state government, because our Senate through the years has been able to survive and stay intact. There's been very little turn over. It's heavily weighted toward the rural areas. I think the figures are somewhere around thirty percent of the population elect a majority of the Texas State Senate. And these Senators, many of them you couldn't any more get them to think about an urban problem than you could fly to the moon.

Brewer: What about the current amendment to increase the Senate to thirty-nine?

McGregor: Well, the way they want to cut it up, of course, what they are seeking to do, is maintain the present Senate, maintain the present rural Senators and then just give the additional ones to big cities. Done fairly, I think, I suppose thirty-nine members would be as representative as thirty-one, but they have got it all figured out, at least the one they were working on during the last session, they were gerrymandering sections out of cities and throwing them into the rural districts yet where there wouldn't be a majority to control. So they were greatly increasing the weight of the rural population by keeping them in the majority and yet throwing in a sufficient number of urban people to keep the district up. This, is, of course, any kind of gerrymandering

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is just bad business. I think the districts ought to be continued and blocked up as best you can and in a true geographic and economic community of interest and when you don't have this kind of situation, you, it is extremely difficult for a representative to properly represent a district that really has a schizophrenia going on among its voters.

Brewer: Did the bill as they were discussing it in the last session create a separate Senator for El Paso?

McGregor: Two, El Paso would have one, elected in the metropolitan area of the county and then the rural area of the county would be given to a Senator whose district would run all the way to Midland--Odessa.

Brewer: Would it include Midland and Odessa?

McGregor: Uh huh.

Brewer: Mr. McGregor, would you comment on your congressional race, what prompted you to make it? What happened?

McGregor: Well, you can just stay in politics so long and naturally you finally get to a point where that if you are really interested then you want to move up. And what occurred, I had two, two ways of moving this last time. I pretty well had to move, I'd been there ten years. I could either run for the State Senate with Owen retiring, or I could have run for the Congress. We had a Republican, Foreman, in, who who was in pretty good shape up to the time of Kennedy's assassination. Well, I think I had projected my own political career somewhat in line with Kennedy's national

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position and I wasn't....I really hadn't anticipated running for Congress thinking that Foreman would be extremely difficult to beat in this particular district. Now the big problems in, well, in making the choice of whether to run for the Senate or for the Congress, they're both the same race. Midland, Odessa and El Paso are in both districts. And naturally, I couldn't well anticipate having this problem of having a conservative opponent, of having the whole race freeze around liberal-conservative, conservatism, and having the Midland-Odessa area strongly conservative you see, against the El Paso area which is moderate to liberal. But.... so in choosing you may as well go for the big one because you are going to have the same race and the same problems. So I decided to run, to make the congressional race. The problem, one of the major problems, of course in this thing is money, it's just a simple question of money. You've got two television areas, so that you have to spend a maximal amount here and a maximal amount down there and any time, of course, you're on a liberal side of the things, you're going to have difficulty getting money, because when all is said and done the majority of the money comes from local business people. Local people put up the most money at any rate. You can talk about outside money but most of it is forthcoming from the local people that have money and liberals don't have many ties with money. But, in any event, I finally ended up raising a considerable amount. I ran a campaign of around, to the close of the first primary, of around

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\$25,000, which I ended up spending, which is a pretty respectable amount of money. And I really had to scratch. But my, my opponent--at the time I thought it was an advantage--it turned out I had greatly underestimated. He was Richard White who had served in the legislature with me and actually had a more liberal voting record than I in the legislature and always prided himself on always being kind of a middle-of-the-road candidate. So I didn't, with him being the opponent, I didn't anticipate that the race would ever develop into any kind of a hard liberal-conservative fight, you see. And certainly, I wasn't willing to run against liberalism or anything else. But, as the thing developed of course, he had equally strong ties as I had in El Paso, which when it ended up means that we were both going to split El Paso fifty-fifty, and the race had to be won down-district. Now I probably had the most aggressive personality, and probably I made the better impression on people, yet he was able to contact, make a contact with some of these Midland oil people that really put up a substantial amount of money. They probably spent about \$60,000 in the first race, and it was nearly all of it spent in the last ten or fourteen days, which meant it was a kind of thing that was all geared up and when it started rolling was really impressive. Now I initially, I spent a good deal of my time down-district trying to line up support and what not, and Richard carried on an extremely effective and a wonderful handshaking campaign. He really worked. Even though he didn't make a very

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good impression, he would stand out there in front of these buildings and he shook a lot of hands, and the two things combined, the, the personal contact, really the work and the getting out and the shaking hands and the personal contact throughout the district, plus the money, the tremendous amount of money that poured in at the last, were what allowed him to really pile up a substantial lead in the first primary. After that time, of course, I hadn't even mentioned him up to that time, I was going solely on a sort of campaign, a best man kind of campaign, assuming that that was the way his was going to turn. Actually when the Midland folk got into it, they ran an increasingly bitter anti-labor campaign on the other end, and in the last five or six days they had the television and the radio full up with who is the AFL-CIO candidate and the self-styled liberal, the whole old traditional work that has always gone good down in Midland-Odessa. A typical hate campaign. But at the same time Richard ran a pretty respectful "for me" kind of campaign. You know, I'm a good man to kind of campaign, and he did a pretty good job of selling. But hanging the liberal tag on me real solid down there, plus all the money, plus the good, good personal campaign that he ran--it's amazing how hard he really did work and I worked hard too--worked on it for about a year--allowed him to pile up a substantial lead. Then in the runoff, of course you never, the liberals never have a chance hardly in a runoff. Once the issue is really formed, because your electorate is going

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to be small and more conservative the second time around. But I really lashed out pretty good on him. I had old Goodwin come out from Austin, and Goodwin is pretty imaginative. And we have some television. And I spent a bunch of money. I knew I couldn't win. That was the irritating thing, just having to go into hock up to my eyeballs on a hopeless campaign just because you're in it, and you've got to go to the end of it and do the very best you can. But I skirted around, I imagine we spent about, oh, I imagine \$10,000 or \$12,000 in that runoff, you see. We spent almost even with White then in the runoff, when he spent that tremendous amount of money. We began to frame that "where did he get all that money, who is he committed to". That has a tendency to cause a guy not to spend money. It's twofold. It's pretty good for him not to spend money, and then we called him two-faced running a pro-labor campaign in El Paso and an anti-labor campaign in Midland. We had some pretty effective television, and I lost El Paso by a pretty good bit, not too good, but pretty good. But I turned around and carried El Paso in the runoff. It was a lot of work. And I just, I just about broke even in Odessa and lost Midland by just a little bit, but where I really got just laced, was in Fort Stockton and Pecos. Because he was able to line up both the Latin vote, see I had supported that pre-school for Spanish kids, I had some wonderful Latin friends all over, but anyway he was able to go down there and offer, get a boy named Alex Gonzales, a J. P. in Fort Stockton, and he really helped

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him a lot. He hired Alex and took him to Washington with him as one of his assistants after the campaign. But Alex did a very effective job lining up the liberals for him. Of course all the Houston folks who were pretty well hooked up to the conservatives lined up for him. And then over there in Pecos they had this mayor, old Cecil Coxen over there, who had always been very influential amongst....the breakdown on liberal-conservative elements and there are always two sides and he was up with having both sides committed in Pecos and both sides in Fort Stockton for him. So he really, he beat me. He came out of those two areas by a bigger majority than he came out of Midland-Odessa with.

Brewer: Does the new congressional redistricting act give El Paso a separate district?

McGregor: But Pecos and Fort Stockton will be in it. And Big Bend. They're going to take Midland-Odessa out.

Brewer: And Big Bend. This is going to include Alpine, too.

McGregor: Alpine and Marfa.

Brewer: What are your plans now? Do you think your experience might have an effect on future considerations?

McGregor: Oh I don't know. You go through one of these things and it takes a while to mend. It just does. And the main thing is that my, I had some sickness in the family, and I don't want to go into it again. I didn't have any personal resources. All I had in liquid assets, oh, I had about \$12,000 or \$13,000 that I just blew, that's just thrown away. I've already given that to the bank. And I

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still owe them \$7,000 or \$8,000 plus a couple of thousand out around that I just juggle. The point is this: this is one of the great problems facing the politician that politics is not very financially rewarding. Your campaign expenses, I mean especially on the liberal side of the docket, you just don't, you don't have much opportunities open to you as far as outside income. And when all is said and done, persons who generally make money through the business community, and liberals are usually in opposition to the business community for one reason or another. So that you really don't have much to do. So you're in politics, and you're poor anyway, and liberal, you just, you just got your work cut out for you. So that some people, for instance, like Don Kennard does one, does an amazing job of juggling his personal situation and his political obligations and does very very well. But, it's extremely hard to devote all your time to politics and really provide a good living for your family and all. Now if you're in a law office where your law practice can thrive on your political situation--so many of these Senators have law offices, you know, and they pick up a many a client through their legislative contacts, and they run three or four state agencies and that kind of thing. And they get along very, they get along pretty well. Of course, what a legislator does and the way of representing clients before state boards and agencies, always touches on a question of ethics. But as long as you're going to have a part-time legislature, and you're going to have a guy practicing law who knows state agencies



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better than he knows any other branch of law, there's always going to be the temptation and the tendency of representing clients before state agencies because that's what he knows best and what he's most competent at.

But there's always that problem there when the state agency then in turn depends on him for appropriation and regulation, and it's a tough one that states over the country speak to in different ways. Some people just prohibit them, other people require full disclosure and different things. But the problem of a person in politics is that, I suppose in a sense it's kind of like journalism, there's always so many that want in, the demand keeps price pulled down; but law fits better with politics than anything else I suppose. Yet at the same time politics is a jealous mistress, and it absorbs so much of your time and interest it's hard to really be fully informed and fully competent as a lawyer and still keep all your political business tended to. And my problem right now is this: before I go back into it any meaningful way, I want to get my financial and personal business up to a level in which I'm, I don't have to be worrying about financing every minute, while you're out there trying to get votes and worried about your family and everything in the world, so that you try and get better organized.

When you're dealing with a legislative body, the thing about the forces that affect legislation and move it, we've been talking about the lobby so much, but also there is the press of Texas,

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and the reporters and the kind of reporting and the kind of coverage that you get in the legislature, and one of the things that I have always been grateful for and had a great, and also had a great deal of respect for was the Texas Observer. I think its influence on legislation was far greater than anyone might imagine. During the years that I served in the legislature, of course, they had Ronnie Dugger and then Willie Morris as editor. You had Lyman Jones, Bill Frammer and Larry Goodwin all writing for the paper. All these people extremely competent and very articulate, and they gave to the liberals in the legislature a real direction and a real voice and sort of a continuity in program that you don't have in other states. Now you go to any number of the states around the nation, and if you find states with comparable political structure, where you don't have any real meaningful institutions of liberalism, you'll find very poorly defined issues before the legislature. And yet in Texas we have an extremely well defined, in the sense of conservative and liberal definition, of what we were doing, and it was a great aid, sort of, in the overall struggle.

Brewer: Did you find it also had a tendency to keep the conservatives on their toes?

McGregor: It sure did. It kept them uneasy. (Laughter) A lot of things that they, you normally would do, little things that nobody would denounce or could so easily be done in the background and yet, when some little paper is going to expose them, even if it's just to

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their colleagues, it has, it has an impact, and it has an impact on the large dailies. They can't help. They're writing down there all the time and when they see this reporting in depth, they can't help but have an effect. Even though they might reject it, it still influences their thinking and shapes their thinking. And our problem during much of my tenure down there was the fact that the big city press just almost ignored the legislature and really gave the so hard to--really the issues we were fighting were so subtle and complex often times, that it was hard to relate it to the public generally, and I think this is why Eckhardt was so, so really great. He could take his issues and really translate them in such a way that the public would understand and he could arouse public support. He did a magnificent job on this open beach bill, that it's just amazing. When the Supreme Court ruled in effect that the, the line for property ownership was not down there with the water but it was way back, it wasn't way back where we thought it was, it was down much closer to the water. The mean high tide mark, I believe is what they finally came up with. But anyway, the landowners began to fence in the beaches down to that property line and Eckhardt threw this bill.... which really avoided some amazing constitutional problems, was able to hold beaches open by claiming the public had had a prescriptive right in them and of course, he aroused tremendous public support for this issue. It was real meaningful to all the people on the coast.

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But the idea, that's what's so....that's what's so hard to do for an individual legislator, is to really keep in mind the problems of the press and frame his liberal issues in such a way that the press can then translate them for the people back home. But I think the press of Texas has gotten progressively better during the time I was in there. The Chronicle and the Post for instance have been extremely enlightened on the racial situation, which was important in Houston. But as Houston really was a southern city could have gone either way, but then their attitudes made integration possible, and they've taken the same attitude in the legislature. They're very open and supported any number of pieces of legislation we were fighting for. The Corpus Christi Caller and in Dallas, you have the, what is it, the Times Herald that has come up and in Fort Worth you've had some of the papers. So you've had your big press has gotten progressively better. Under the Shivers regimes the liberals got almost no play at all. But under Daniel, when Daniel began to speak out, he got a good press and he began to denounce the lobby, denounce selfish interest in a sense, and the press began to pick up this attitude and really began to play the public interest up, which greatly benefits a liberal legislator who isn't playing to a special interest.

Brewer: Do you think this will continue in the future?

McGregor: Well, it's hard to say, because the future of the press is so hard to put your finger on. It would, what I would like to see, is local

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television developing its own news coverage like NBC and CBS. They have done such a fine job in press coverage, and I wish that we could get that kind of press coverage going among local television stations covering the legislature and other things. Now I tend to think that the newspapers will, that this trend will continue for some time among newspapers. It would be helpful if you really had truly unbiased coverage in the sense of the New York Times or CBS or NBC of events. It would help so much, because one of the big problems in the legislature, the only people really watching it are the people who have this personal interest in it, and there aren't these institutions for the consumer, or for the public generally, so that things tend to move in a narrow pressure group. Where if you had broad coverage, broad dissemination, you would get an aroused electorate just on things that meet the general interest and not appeal to their special interest.