Oral History Interview #1
With

JOHN JOSEPH CARSON

Washington, D.C.
November 8, 1971

By Jerry N. Hess, Harry S. Truman Library

HESS: Okay.

CARSON: I was born (and that's what you want to know isn't it), in Smith Valley, Indiana, about ten miles south of Indianapolis, and went to Indianapolis when I was about a year old and lived down in the 12th Ward, which was about 90 percent Irish and about 90 percent Democratic. And my father was an emigrant from Ireland, and my mother was a second—her father was an emigrant, she was the second.

HESS: What year did your father come over, do you recall?

CARSON: No, but he was very young. I remember he told the story about—my father told the story, there was three or four brothers came over and he was the youngest and they told the story how he stood up in the boat coming over, cold, his trousers against the stove, and he

[2]

burned the whole seat of his trousers out and they had the laugh on him for all the years. But anyhow, he eventually got into politics, had been into politics, and Tom Taggart, the famous Tom Taggart, who was probably the greatest of all the—ablest of all the Democratic chairmen. I think Tom was chairman for—national chairman for, oh, through three or four administrations. He was with Bryan and so on.

And I can remember in the Bryan campaign, I was only seven years old, was born in '49, and in the Bryan campaign, the first one in '96, my father bought these little Zouave caps with the black peak around them, and across the front was Bryan – Stevenson, and I, and I and my other four brothers who had—had five brothers, but my four that were old enough, we had to wear those caps all through the campaign. I didn't know Taggart in those days, and—but because I was only a child—but I had been told by two or three different people that—school teachers—that you can write, and you have to write, and so on. I made up my mind to try to write, but I had to go to work.

So, I went to work in the first place for a—well, I went to work when I was thirteen in Van Camp Packing Company, capping catsup bottles. And then I got through two years of high school and I went to work—at sixteen

[3]

I left school, had to, because there were other brothers coming along to get an education. And I got a job, a little office job, and then a job—an interesting thing about this for me, I got a job as a messenger boy for the president of the American National Bank in Indianapolis. The man's name was John Perrin, and I stayed there about six months and then the Van Camp Packing Company—I had a friend in the accounting department, and he asked if I would take a job with <u>them</u> at two dollar a week increase in wage, from four to six. I went to Mr. Perrin and told him I was resigning and he said, "Well, sorry to hear that because I had planned to put you in a cage, as an assistant to the teller in a few weeks and I wish you would stay, but if you have accepted."

I said, "Yes, I have accepted, Mr. Perrin."

Well, that is only of interest because of this: I left and went to—I left there and didn't see Mr. Perrin again until about 1921. I had made a date with the Assistant Secretary of the Treasury in those days, I'll think of his name in a minute or so—later he went back to New York and became part of the Morgan outfit. He was a very good guy and I was correspondent for the Baltimore <u>Evening Sun,</u> and I made a date because I was

[4]

against the payment of the soldier bonus at that time and the <u>Sun</u> went along with me when I wrote a lot of stuff about it against it, because I was sure that the payment of soldier bonuses would result in just inflation and increased prices. The soldier should pay in and get nothing out of it.

I went to see—I started—it was that morning, it was either a holiday or Saturday. Of course, in those days we were permitted to go into the Treasury and they knew my face. I was in there all the time, they knew me by sight. And I went in and as I went in I noticed quite a few men going into one office on the first floor, well-dressed men. There were nobody—no one else, except the guards in the Treasury—in the Treasury building, that I knew of except this fellow, the assistant Secretary. I went up to his office and we sat and talked for about two hours, and when I came down these fellows were going out of this office and there were probably thirty or forty in there, and I jumped in behind a pillar to see what I could see and learn, there might be a story in this.

Well, lo and behold, I looked up and there came Mr. Perrin and I went up to him and said, "Mr. Perrin, you won't remember me" I told him that I was John

[5]

Carson and, " I was your messenger away back in 19"—that was about 1906 I guess, or '05. And I said "Now I'm of the Baltimore Sun, down here as a correspondent, I'd like to know what's going on in that office in there today."

He said, "Well, Mr. Carson, we have agreed, all of us have agreed in there positively that it will never be known what went on in that office."

Well, John Perrin then was governor of the San Francisco Federal Reserve Bank. I went out and I did seek to find out, in one way or another, what went on in that office, but I absolutely failed, and I told nobody else about it, but I knew there was something there.

But a couple of years later the paper where I called on—the business paper where I called on, the Manufacturers Record, published the whole story of the minutes of that meeting, and that was the famous meeting at which they had agreed to increase the discount rate, to stop the inflation at that time. You remember at that time, well, I remember that—well, I just remember one price. I think you'll find at that time that sugar got up to 27 cents a pound that was the 1921

[6]

inflation, and then came the tremendous bust that came. First we had in 1919, the farmer's rebellion, and that resulted in the farmer's bust, and then we had this inflation later and then they tried to stop it that way and that became the day—that was big in the Congress, and that became the subject of more discussions. Oh, throughout the years every now and then you'll hear them talk about that famous meeting that I just missed from getting. But that's what I came here—to get back to the story.

Van Camps, oh, up until about 1909, and I got up to where I had—was a bookkeeper and accountant, assistant on books, and I was twenty or twenty years old and I had saved enough money to pay my board bill at home for two years, so that none of the family, my kid brothers would suffer, and my mother. We were very poor, all of us, and I could stay there and live for two years.

So I made up my mind that I'm now going to get me the job I want, I'm now going to get into the newspaper business. So I went to the poorest paper in town, and I think I campaigned for three months at that paper and finally got the job because I agreed to work for nothing until I—they wanted me. And I got the job and …

HESS: Why were you interested in entering the news field?

[7]

CARSON: To get an education, that was the best thing—to write.

And I think I, of course—just to justify that I wrote—but I was just years later, oh, many years later down in the Federal Office Building one day I—one of the very, very able correspondents in Washington came up to my desk, and we talked for a minute, and I said something about, "Well, you know Jerry, I've never—I've always been a little bit sensitive about the fact that I never got any formal education to speak of, I've never got through high school, I didn't get to college."

He said, "Hell kid," he said, "you've got the finest education." He said, "I've been through three universities," he said, "I know this, you've got an education far superior to anything you could have got for just"—I told him it was true as far as my newspaper work, because I only had—when I became city editor out in Indianapolis, I only got one applicant for a job from the journalism school. I don't remember what school it was, but a pretty good one. I got—that stayed with me—I had other applications, but they didn't make, couldn't succeed, they weren't good enough. But the reporters I got in out of the street, maybe with only a high school education,

[8]

with some experience on small town newspapers or something, they were the guys that were good reporters and good newspapermen. But I never found—didn't find—this one fellow he was articulate, verbose, very good guy, very pleasant guy, but after a month or two I told him that I thought he had better look for something else, because he was just unable to know the point of a story of where he was and to get the job done. And he agreed and he went up—I think he became, in one of the advertising departments of General Motors up at Detroit and became a very successful advertising man. But that's why I went in the newspaper business and I stayed with it. Oh, it was only in the campaign—in the Woodrow Wilson campaign in 1912, March of 1912, the fellow who was ahead of me on the paper, one of the experienced—men of experience, forget his name, but he went with the Teddy Roosevelt campaign in the publicity.

HESS: The Bull Moose campaign.

CARSON: The Bull Moose campaign, yeah.

HESS: Did you see Theodore Roosevelt in that campaign?

CARSON: No, I saw him before that, but I didn't see him in that campaign.

But anyhow, he was—he left, he was covering the city hall, and they didn't have a city hall reporter

[9]

and I remember the city editor, I was then just on assign—a man to go out and cover a church meeting or something of that kind. And I—he came to me and said, "Carson, we haven't anybody to put on city hall except you, go over and see what you can do."

I went over and got into city hall and I stayed there for about a year and a half or so on the city hall, and then went—the fellow who was over at the statehouse for us was fired by the managing editor, soon became a man of very great distinction in the newspaper business, the managing editor, or acting managing editor, at that time was a fellow named Barry Faris, who came to our paper from Denver where he worked out there on the Rocky Mountain News or one of them. And later on he became head of all of the Hearst services in New York, the national services guy there.

Well, anyhow, I went over to the—stayed there. Barry Faris had fired a fellow named Morris Judd from the paper, and the managing editor, who was on leave at that time, he had gone with his boss, a fellow named Boice, Boice weekly papers or something, Boice had taken the managing editor, a fellow named Horrace Howard Herr, and Herr's name is a little bit of interest later. Herr and Boice had gone to northern Africa to write a

[10]

series about northern Africa and Horrace appointed Barry Faris the assisting managing editor.

Well, while Boice was gone Barry fired Morris Judd. And I walked into the office and told—Barry told me he wanted me to take over the statehouse run, and I said, "Well, now Morris Judd is a very able newspaperman, and unfortunately, our opposition over there, the Bick paper, they have three men on that run, and Morris was beaten occasionally and will be, anybody else would be."

But he said, "Yes, but I know he wasn't telling the truth about something."

And I said, "Well, you got—I think he's a great guy," but anyhow he fired him and he put me on the run.

So, I then stayed at the statehouse for up till about 1916 when I wrote some politics and other things I did in the meantime around town. About 1916, 1917 I guess it was, yes it was 1917, and then the chairman of the state committee, a fellow named Charlie Greathouse, Charles Greathouse, came in one day and said, "John would you agree to take a job? Your job would be to go to Washington and become the first chairman of the Young Men's Democratic National Committee. You'd have to organize it, and you have to stay as chairman

[11]

until you get enough members of the committee to form a committee and to elect officers. But you can be the chairman and then you can go on to the national committee and do what you want there, then Mr. Taggart has asked me to see that you take this job."

So, I said to Charlie Greathouse, "I don't want the damn job, I want to write."

And he said—well, I had been pretty active in the Woodrow Wilson campaign and they knew it, although I wasn't known to be active, because my paper was for Theodore Roosevelt. But I worked with the Democratic committee and then I was pretty active with Taggart when the rest of them were out of town, politicking. And so I finally said—Charlie Greathouse said, "You've never been East at all of Indiana have you?"

And I said, "No."

He said, "Well, take our money and go down and talk to them down there and see what you want, whether you'll take it or not."

And I finally agreed and on—I think it was a day or so after Christmas in 1917 I came to Washington, went in the national committee and there were three fellows—no two fellows and a woman in there, that was all. And they were just something in the issue of a receivership, trust, the committee had stopped functioning, they had been beaten sometime that year, that time, and there

[12]

was a rebellion going on in the party against Woodrow Wilson too at that time, and so on. But I found that these people were people that I wouldn't want to be associated with, I wasn't going to join a committee in bankruptcy until I…

HESS: Was this after the 1920 election?

CARTER: No, in 1917. Then I told them no and I went back into Chicago where the Boice Publications offered me a job as the editor of their weekly magazine or newspaper I forget which, newspaper, W. Boice, the voice of the paper. It had a national circulation in those days and I remember sitting up in a hotel, the LaSalle Hotel, and the young fellow who Boice's chief administrative officer, who had told Mr. Herr, now Mr. Herr told him to get me to go on the paper up there. And I said to him—talked to him about it, and he said, "of course, this—you will be interested in this, being a small town boy," he said, "Mr. Carson, your success on this paper, of course, will be determined by your ability to buy stuff cheap," this was after about a half hour or so, that they offered me the job.

And I said, "What do you mean cheap, what do you mean by the word cheap?"

[13]

He said, "Oh, you know, we've got a lot of country boys that all, whenever they don't have anything to do at home, write, and they write and write and they send it in here." And he said, "We get some very good stuff. Of course, you have tremendous burden to read it and edit it and so on, but you get some great stuff."

And so I said, "Yes, but what do you mean, cheap?"

And he said, "Well, I've bought six hundred thousand words for $60."

I said, "You did?"

He said, "Yes."

I said, "I don't want your job."

So I got up and went back to Indianapolis. And I had hardly gotten in Indianapolis when I got a telegram from Morris Judd, the fellow that I'd saved his job. He had gone with the Indianapolis News and the News had later sent him to Washington as assistant correspondent down here, and he sent me a telegram saying, "Why didn't you talk with me when you were in Washington?

Would you take a job as assistant correspondent for the St. Louis Globe-Democrat?" And mother and I talked it over and we—I agreed to take it.

So, I came to Washington as assistant correspondent

[14]

for the St. Louis Globe-Democrat. I stayed with it about six—about eight months, and then the correspondent for the St. Louis Republic, the correspondent, the top correspondent, a fellow named Bill Gray, he enlisted in war and he went to war and went overseas. And Jack Cochran, who was then the Secretary of the Congressman Billy [William L.] Igoe of St. Louis, one of the really great, great members of the Congress that I knew. Jack was determined that I should be named correspondent of the St. Louis Republic. And you know, the Republic was owned by---oh, the fellow that became later our Ambassador to Russia. I'll think of his name in a minute. But I went to the Republic anyhow, and Sam Hellman who later became famous in Hollywood, was our managing editor out in St. Louis.

Well, I stayed with the Republic until one Sunday night, I—my telegraph operator, in those days we had a leased wire out of New York and Washington into St. Louis. I had finished up my story that I wanted sent that night and got my files finished and had gone home, but the telegraph operator had stayed on to do some work. At 2 o'clock in the morning he called me at home and said "You're out of a job." He said "They have just sold the papers to the St. Louis Globe-Democrat." And we didn't have any money at all because

[15]

we were working for a pittance for those newspapers in those days. Correspondents in—the best of correspondents around here in Washington in those days were getting about a hundred dollars a week, I think I was getting sixty-five.

HESS: Let me ask your impressions of Washington when you first came to town, and where did you live at that time and where did you work?

CARSON: Well, we lived, in the first—when we first came to town—when I first came to town, that was when I went to work for the Globe-Democrat, it was utterly impossible to get a house, an apartment or anything else in Washington, war was on. And an interesting thing in that connection, this part should be historic too.

When I was in Indianapolis covering I guess the city hall, and—no, it was the statehouse, we had a streetcar strike—the streetcar employees went on strike. They were mostly country boys that came in and drove the emigrant Irish off and took the jobs. But a fellow named Clawson, who was a socialist, a lawyer, he decided to organize them and he organized them and striked to have recognition of their organization. That was all that they wanted to begin with. That strike ran, oh, I'd say probably three months; two or three men were

[16]

killed in that strike. And there were two things that happened in that strike that will be interesting right here.

I picked up the morning paper one day and there was a story in the morning paper we had—about a fellow named W. K. Stuart. He owned a bookstore in Indianapolis, and a bookstore in Louisville, and I saw the Stuart—he talked, delivered a sermon at the Universalist Church the night before, the morning paper just carried a couple paragraphs of it. But what he said in a couple of—what they printed in a couple of paragraphs indicated that Stuart had gone pretty far in the denunciation of the company, the streetcar company. Well, Stuart's bookstore, I later learned, when I was in New York one time doing some work, a fellow told me that when he traveled through the country he always managed to get into Indianapolis to go to the W.K. Stuart Bookstore, because it was one of the best bookstores in the country.

It was a—it looked like an old country store, chairs all around it, and you went in and took a book down and you stayed there long enough to read if you wanted to. He sold yourself the thought. Stuart was a very interesting fellow, and I went out and I called him and

[17]

asked if I could come out and talk to him about it. He said, "Yes," and I went out to his house one night. It was not my beat, I didn't—it should have been somebody else that got the story, but I saw it. A very interesting thing. Stuart started in and said—he denounced the company and then he again denounced the economic order, and then he finally said—this was interesting—he said, "You know, there's never been a competent history of the United States been written." He said, "You won't find any competent histories of the United States, you'll not find in all our histories, kids schools, universities, or anyplace, the things, the facts about our country." He said, "For example, you have heard the phrase, 'not worth a continental?'"

And I said , "Yes."

He said, "Do you know where that phrase came from?"

I said, "No."

He said, “You’ll never find it in history either. “But,” he said, “the facts are that after the Revolutionary War the soldiers were paid in continental currency, and after the war, the currency is supposed to be “—he said, “The continental currency is worth a dollar, script was the same.” He said, “It got down to a cent and a half.” And he said, “Then the big moneyites in

[18]

New York,” he said, “you know the Wadsworth family?”

And I said, “I know who it is.”

And he said, “Well, Jeramiah Wadsworth, the first of that family, was the owner of a fleet of schooners up and down the Atlantic Coast, to the south, and he went down south and just bought a shipload of that continental currency for a dollar and a half and he said, he just managed in some way to get back to New York when Hamilton validated all of that currency at 20 cent on the dollar.”

Well, he said, “That’s where continental currency got to,” he said, “but you will never find that in history.”

Well when I was going—coming down to New York to Washington on—in wartime, the Second World War—the First World War was okay, it was on an old style sleeper and there were only three—two other persons in the car, two other men. They sat up at the one end and I knew one of the, the back of his head, and it was a fellow by the name of Carl Moach, who had been the managing editor of the Sun when I was there, and he had gone over to the Theodore Roosevelt campaign. And the other fellow, was talking very, oh, very loudly. He was pompous, very pompous as he was then, and as he has always been. And he looked around to see if he had an audience, and I was away in the back of the

[19]

car and I became his audience, and I heard him say finally to Carl once, “You know, Carl, there hasn’t been one member of the United States Senate in all my time in the United States Senate who’s ever read a worthy history of the United States. I don’t know whether you will ever find a worthy history—a history of the United States at the present that is worthwhile.” Exactly what Stuart said.

Well, I knew the man that was talking was Alfred J. Beveridge, he was a Senator from Indiana for years and who was—had been at one time the favorite son of Theodore Roosevelt to succeed. And he wrote the life of Marshall you know, and that was the best thing he did.

Well, I disliked Beveridge, but anyhow, that just about—I don't know where we got onto history, but Stuart and Beveridge both convinced me.

Well, in the streetcar strike I had another experience. The strikers, several thousands of them, paraded through the streets over to the Governor's office. The Governor at that time was Samuel M. Ralston, a Democrat, great big heavyset man, a very fine man, but a marked conservative, a farm boy who had become a lawyer. I was covering this for our paper and I was over there night and day. I was—the question was whether martial law would be declared and so on and so on. And I had tried to the best of my

[20]

ability, to write objectively about it, but I was going back to the office from the statehouse one afternoon and I happened to pass through—walking—had walked through what was old Commissioners Row, where the commissioners had their places. Those places, several of them, were old three-story houses and they stopped using the upper rooms and just made the lower rooms a place to store potatoes and barrels and so on. And out in front of those were two cars, somewhat like our school buses. The seats though went all the way across the cars, I could see enough in them. They probably would set twenty people, they were painted black and they had window shades drawn down.

Well, at that time there was a rumor around that I had chased and hadn't gotten the facts enough to be able to print it, that the strikebreakers from Chicago where the fellow who had participated in the killing of these three men and so on, and this story of the riots in which they were killed. And nobody had turned up—when suddenly somebody dawned on me. These license plates were Illinois and here was the strikebreakers' car. I went across and in one of the upper rooms over this commission house, the commission companies' storage was—the second floor had been refurnished some way.

[21]

It was locked thoroughly, but the window shades were pulled down, I found out later that they had put cots in there and stoves and that was where the strikers were being kept.

Well, now as I discovered that, I went back to the office that night, or that day, and I wrote a story about this, just—I lost my objectivity, I became a crusader for the workers. And I raised hell with the company and everything else, stirring. When I got back later on in the evening, I found that one of the copyreaders, a fellow named Jenkins (was a graduate of the University of Alabama and had come north and was on our paper only a short time), he had gotten—he had been ordered by the head of the copy desk to read my story and edit it and so on, and write it in. And he had taken the liberty of rewriting the first paragraph and a couple of other sentences down, changed it completely around and made it a story in favor of management.

Well, I—it was about 5 o'clock in the afternoon. I lost my temper, and I finally—I went over to the copy desk and pointed to Jenkins and I said, "Did you do this? If you ever touch my copy again, you're in here to write a story for the management, I'll go out and organize"—this editorial departments were union—"and kick you and all the other out," and

[22]

and so on and so on.

So, I whipped around and the managing editor, who had only been there three weeks, was tapping me on the shoulder, he said, "Mr. Carson, I'll see you in my office."

And I went in the office and he came in and locked the door, and he said, "Mr. Carson"—or Carson as he called me—"Carson, I assume that if want to eat you've got to stay on this payroll, you have to stay on this payroll."

And I said, "That's right."

He said, "Well, if you make another speech out there in that city room like that one you made, you won't stay on this payroll. I won't be able to keep you on this payroll." He said, "I've traveled all over this country, Mr. Carson, the last place I was editor of the Kansas City Journal for several years; before that on the Rocky Mountain News, California, so on. I've traveled all over the country." He was Horace Howard Herr. He said, "I want to tell you," he said, "the business office downstairs, the advertising department, determines what we print in this paper, and it does in every other paper. Don't you fool yourself at all, and they're not going to let you stay on this paper if you write stories like you think you're going to get away with it, so forget it." He said, "You're right, but keep

[23]

your trap shut. You've got to take it if you want to stay."

And I said then (this is interesting), I said, “Mr. Herr” (I was only about 23 or 24), I said “I have been reading economics, political science and so on, I’ve been for organized labor; I probably will always be for organized labor because I don’t see how anybody who is an employer, who is a member of a corporation, which is organized capital and organized by subsidy from the Government, how they can take a subsidy and defend their organization of the unions capital and oppose labor. So, I have been for labor and I’m with you, but labor’s—organized labor’s not the answer, I’m going to be for it, but it’s not the answer.” But I said, “I don’t know what the answer is, but I’ve heard about these things called consumer cooperatives and I wonder if that isn’t the answer.”

He said, “Oh no, Mr. Carson,” he said, “we’ve tried that in this country several times and it’s always failed, it’s always failed, but if you go up in Minnesota and Wisconsin, you’ll find it succeeded, because the Finns, and Swedes and Norses made that go and if it could be done it would be the answer.”

But I left anyhow and I shut my trap and…

HESS: Is that when you first became interested in consumer cooperatives?

[24]

CARSON: That was the first time. I wasn’t interested; I just had a fleeting notice of them in my mind. Then I—well, I came down here, I ...

HESS: What were your impressions of Washington when you first got here?

CARSON: Well…

HESS: What kind of town did you think this was…

CARSON: I started in, and I was going to tell you we couldn’t get—left mother and our oldest daughter, a little baby, at home, until I could get settled. I went all over town trying to find something, couldn’t find anything, but I got a room out on East Capitol Street, 10 Fourth Street Capitol. A widow was there. I went over to a Catholic church finally one night to see if the Priest could help me find someplace to live, and he got me—said, “Go over to see this woman and tell her I told you, because she doesn’t want to rent this place, but tell her I told her to give you a room, give you shelter.”

Well that was the first night I was in Washington, and I went over there and she let me in. Well, actually Mr. Hess, and by the way, her nephew was named Hess. Had a nephew and he became a priest down here. Yeah, I think he's still alive.

[25]

But anyhow, I stayed there, but I put—I started in using my Saturday afternoons and Sundays going around trying to bribe the janitors with money to tell me what apartment was vacant. I campaigned weeks with that, and then I saw an ad in the paper offering $25 to anybody that would give me information that would <u>lead</u> to an apartment to rent, or a house to rent. And the next night, the very next night, somebody else offered $50, and the offers moved up to $300 for information. You couldn't find a <u>thing.</u>

HESS: Housing was pretty tight.

CARSON: Oh, terrible! There wasn't anything at all.

The city was one of the most attractive cities, beautiful. I had this memory when I was covering the city hall in Indianapolis; one day I went into the Park Board and was talking to the secretary executive secretary of the Park Board, a fellow named Lowry, and I said, "Mr. Lowry, I wonder why in the hell we can't grow trees on the streets of Indianapolis, they must have trees for some cities, but here we have no—practically no trees."

He said, "Well, Mr. Carson, you'll find out here in the Middle West that smoke and other things, it's utterly impossible to keep trees, we just cannot. We've tried and tried, we've got a few to live, but," he said,

[26]

"If you ever get a chance to go east and get to Washington, there you'll find the city of trees, and it's absolutely beautiful."

Well, that was the first impression I had, trees all up and down Pennsylvania Avenue and so on. And I liked the city, I was very, very fond of the city. The climate is so much better than the pocket country: Indianapolis, Columbus, Louisville, Cincinnati, St. Louis, the climate here is so far superior to anything out there that I loved that. An then in my work I got to know everybody and I walked all over the town. In those days you could travel all over Washington, day or night, and never had any fear, any trouble at all, and so on.

I wasn't tremendously impressed by the management, by the Government or the District, because it was very obvious to me that the Government was a government which was largely dominated by the real estate interests, which was the biggest business in Washington in those days, and by big business and by the Republican Party and so on. And I always think these days, old John "Shark" Williams who is a Senator from Mississippi, John every now and then—not every now and then, but once or twice, I heard him, but I knew it was one of his stock speeches. If he was making a speech about Washington and he would always say, "Washington is a city of 250,000 white people,"

[27]

but he'd never mention the other 250,000 Negroes.

HESS: that sounds like someone from Mississippi doesn't it?

CARSON: Yeah. Well, that—I stayed here in—I stayed until the Republic sold out and then I was offered a job to edit the Red Cross magazine, and I didn't take that. I just didn't know what I was going to do, because we had to live. And then the Baltimore Sun, Morning Sun, bureau here, they had four—ordinarily four men on the bureau. The chief, who was a fellow name'd Essary, Fred Essary, Fred asked me to come over and assist on the bureau, correspondent on the bureau, assistant correspondent. And I went with the Sun and stayed with the Morning Sun for about two years, and…

HESS: Did H. L. Macon work for the Sun?

CARSON: Yes.

HESS: At the same time?

CARSON: Yes.

HESS: Did you meet him?

CARSON: Oh, I knew him very well, very well.

HESS: What are your impressions of Mr. Macon?

CARSON: Oh Macon, Henry—well, Henry (he was Henry and I was John), Henry was an actor, a stage man, a pleasant fellow, a fellow of very little depth outside of perhaps

[28]

literature. He knew nothing about economics, but he'd write about economics or talk about economics. He knew nothing about—very little about politics, but he'd talk about it.

I only remember two things that you would be interested in that. When the first Harding inaugural, Henry and—Henry Macon and a fellow named Henry Hyde, who had been on the Chicago Tribune, I think, for years and had come to Washington, they were both then—I was about 27 I think, maybe 28, and they were men in their 40's and they were experienced, old-timers, I was practically new. They came over and Henry Macon said, "We came over to be your assistants, you're the boss," to me.

So, I knew that that was just full—entirely phony, but Henry came back. The first night he was in Washington he came over and came up to the office, came over from Baltimore, and he said, "I've got a story for tomorrow, Mr. Carson, if you'll take it, if you'll let me print it."

And I said, "What's your story, Henry?"

And he said, "Well, I got into a taxi cab out at the station to come up here," and he said, "I have always found that if you get into a taxi cab and keep your ears open, you get a good story, and I got a good story. The taxi cab driver told me that the other day he was out at the station and the White House cars,

[29]

cars that came out to take the presidential party, had more than they could handle and they commandeered some other taxies. And this man got two big colored ladies, and they sat in the back seat, and he said, "I knew, they told me who they were, they were going to work in the kitchen of the White House and so on. And I started up Pennsylvania Avenue, the speed limit then was 18 miles an hour." And he said, "I was running about 25 miles an hour, in back of the cars going ahead, and pretty soon, putt, putt, putt alongside of me the traffic policeman said, 'get on the curb.'"

So, I got on the curb and he said, "How fast did you go?"

And I said, "Twenty-five miles an hour."

He said, "What is the speed law?"

And I said, "Eighteen miles an hour."

He said, “I thought you knew it, I’ll give you a ticket.”

And I said, “Give me a ticket! Give me a ticket! I dare you to give me a ticket!”

And he said, “What’s the matter with you?”

And I said, “Don’t you see who I’ve got in the rear seat, the ladies of the royal household.”

[30]

Well, Macon write this story from that, and that was his first story in Washington. The second story he wrote, that experience, when he came back from the inauguration, which is out from the Capitol, Henry said, to John, “If you let me write my story, I only want to write one story, and that will be a picture story of Mrs. Hardin standing on the platform up there while her husband took the oath of office.

And I said, “For—I didn’t say anything, I knew he could do as he pleased. I said, “Go ahead,” I didn’t have any authority, I only remember one sentence in that, and it was a mean sentence, a dirty sentence, but it was typical of Henry at the time. He wrote about Mrs. Harding, he said, “Was dressed in the best taste, of the best modiste of Marion, Ohio.” Well, that was Henry.

Well, you asked about Henry. Yes, and then we have a lot of experiences. Well, after a while the correspondent for the Baltimore Evening Sun, Mead Reynolds, was called over to become the editor in chief of the Evening Sun in Baltimore, and they appointed me as correspondent then of the Evening Sun, and I stayed with Evening Sun then until the famous Al Cummings Act came up for the House. That was the act in which the railroad—I haven’t got another cigar, I…

HESS: That’s quite all right.

[31]

CARSON: The Al Cummings Act was described as being a guarantee of income for the railroads. It was in the House and I was over in—and whenever I went over to the House—old—the only House Office Building, now the old one, I’d always go up to Jack Halkrin and Billy Igoe from St. Louis. They were always my friends and I tried to be their friend, I admired both of them very much. Well, a fellow, Charlie (Charles P.) Coady of Baltimore was Congressman from Baltimore. He came out of the office that night and I was standing there and he recognized me because, as correspondent of the Evening Sun, I had to see him every day. He said, “Oh, John,” he said, “I have a story for you, but I don’t want to be involved in it,” he said, "I'm on the House Committee on Interstate Commerce, we're heading the Al Cummings Act," and he said, "its—the biggest lobby in all the whole world is here, every member of the Congress is being lobbied by people from his home and they"—he said, " I want to be against this thing, but you know I couldn't come back to Congress, or stay in Congress if I was against it, because Dan Willard, who is the president of the B & O, is over here heading this lobby," he says. "So, I can't tell you a damn thing about it, but there's a young Congressman on there that is fighting this thing, and you go and see him, and I think you

[32]

will get the story, and he will fight it to the finish."

So, I went over to see Alben Barkley, and then Barkley and I became bosom friends and we fought, together he and I, fought this battle in the House, and they won the battle in the House. And I think that you will find in the Record that Sam Rayburn voted with Barkley and others to beat the thing. Went over to the Senate, and the Senate committee went the other way and approved it. It went to a conference committee and I remember I went to see Barkley, we were together constantly, and walked with him over to the Senate side of the Capitol. And Barkley said, "They are having a conference," the conferees were meeting, and he said, "I don't know how long I'm going to be in here, John, but if you want to wait, okay."

He went in and he was only in about five minutes and he came out. I said, "What happened?"

"Well, Cummings, who was chairman of the conference, he was chairman of the Senate committee, Cummings, Senator Cummings, he started in by saying, 'Last night we was trying to decide how long this guarantee would continue, the provision would continue in the bill.'"

And Barkley said, "I spoke up and said, 'When I left here last night there hadn't been any discussion of that question at all, and I left when you were

[33]

adjourning I understood, after you was adjourning."

And Cummings said, "Well, you must have—this must have happened just after you left because we did agree that we would approve of the guarantee provision." It wasn't a guarantee, but it was in effect a guarantee, guarantee provision and we were just trying to decide how long. The only issue is how long we will make it. And he said—and Barkley said, "Well, I'm going to oppose," he said "I'm going to oppose the guarantee. I'm going to vote no, now."

And Cummings said, “If we can get a unanimous report, we will make it for 18 months, and if we can’t get their unanimous report, we will make it for three years, and if you Congressmen want to vote for it, we will make it for 18 months.”

And Barkley said, “You make it for ten minutes and I’ll vote against it.” And he said, “I got up, took my hat and walked out.”

Well, they went back to the House and got it through and got it set up. But Barkley and I became friends then and remained so until Barkley died, he was one of the truly greats, Congressmen I know.

Well, then I soon found, however that the Baltimore Evening Sun managing editor didn’t want me too badly. They had sent Dan Lenin over here to try to stop me

[34]

writing and so on, and he went to the correspondent of the Morning Sun to see how they could put the heat on me to stop me from doing this stuff and so on, and so I knew that my days were numbered on the Sun. And I heard the Evening—my boss, the managing editor of the Evening Sun, said I had the “Barkley complex.” So I was moving on. I had to find another job, I knew I was going to get out of that one.

And the Scripps-Howard people came to me then and asked me if I would take a job at an increase of $30 a week to become a correspondent with the Scripps-Howard bureau, and I was to write news for the Baltimore paper, the Indianapolis paper, the Iowa paper, and a couple of Virginia papers and oracles. And I was to write general political copy and economics particularly. And I went with the Evening Sun—Scripps-Howard, and was very happy there up until 1922.

The Mellon tax bill came before the Senate. I launched into the Mellon tax bill, I knew this subject pretty well because I was known as a nut around here and I was probably one of a half dozen men that ever left the Treasury building, but I could not on this subject, and I wrote a lot of stuff about this Melon tax bill. And then one day Roy Howard, who had been the favorite son of E. W. Scripps who was one of the chief owners of the Scripps-Howard papers, they had about

[35]

thirty papers in the country then. Roy Howard had been with them from the time he got out of school. Incidentally, he went to school, that high school in Indianapolis where I did, but he was there ahead of me. He had become the boss, old man Scripps had retired for age. Roy came down here and called in all the editors and called me before the editors and I gave them all I had on this Mellon tax bill, what it was. And he said when they got through they—I had to leave of course, they had an executive session. They voted to be a hundred percent for the Mellon tax bill, although the papers had been filled with my stuff before this. And do you know, Mr. Hess, I think at that time, that was the final act I think in my—in that period where the newspapers came completely dominated by the financial interests. I think the New York World and the St. Louis Post Dispatch, those are Pulitzer papers, they were the only two prominent papers in the country that didn't oppose. They were not for—they were the only two papers that were not for the Mellon tax bill, all the other papers—Scripps is not only one, all of them were. But then the next thing happened I knew that I wasn't going to be with Scripps-Howard very long, and Mr. Howard.

[36]

I had an interesting thing with that newspaper. Our office of Scripps-Howard, that is the editorial staff, was on the fourth floor of a building on New York Avenue and on the fifth floor was the bosses, the top bosses. And the day—one of the days, the fellow who sat right next to me at a desk, was a fellow named Porterfield from San Diego. He and Mr. Scripps owned the San Diego Sun and they owned it fifty-fifty. Ordinarily all the employees of Scripps owned stock in Scripps, and old man Scripps—of course, he didn't have a majority interest in anything, but the employees were with him and they all made money out of it up to that time. Well, Porterfield was so outraged by Roy Howard, he had been Roy Howard's boss of course, he was so outraged by what Howard had done, the next morning one of the fellows that was then head of the United Press, he was then Scripps first, he came downstairs to go through our office out to the washroom, and Porterfield jumped up and grabbed him, at my desk, by the coat lapels and he said, "What are you fellows doing?" He said, "What do mean by what Roy did here yesterday afternoon?" He said, "Mr. Scripps will turn over a half dozen times in his grave," he said, "why did you do this?"

And I remember this fellow took Porter and said, "Porter the trouble with you is that you have never

[37]

what is true now, that newspapers are now business institutions."

Well, I knew that I would go again, but I still didn't have a job, but I made up my mind that I was going to—then made up my mind that I was going back into writing, getting back to magazines and stuff. And I had, at that time, another interesting incident that comes in in this connection.

In 1920, you know, when the Harding—Harding's campaign was—they just ran away with the election that year. After it was over Cordell Hull was beaten for the House at that time, and Hull and I had become good friends. He was interested in economics and I was, and he called me in for conferences constantly on—while I was covering the House. I used to—I liked him very much. So I went over to him in 1921, just right after the Hardings took over, Congressmen in Congress, and I said, "Judge what you going to do?"

And he said, "Well, I don't know."

I said, "I imagine that you want to stay in Washington?"

And He said, "I do."

I then said, "How would you like to be chairman of the Democratic National Committee?"

And he said, "Well, I'd like it very much."

Then I said, "All right, you're going to be chairman of the Democratic National Committee," and I went back and

[38]

wrote a story from the Baltimore Sun saying that a movement had been started and so on to elect Hull chairman of the Democratic National Committee, and in a few days he was made chairman of the Democratic National Committee.

HESS: Is that the way movements are sometimes started?

CARSON: Oh yes, that always started from fellows with ideas.

Well, then I got Hull to, among others, to take a fellow named Rafton Kearnes, he had been a reporter on the St. Louis Post-Dispatch for many years, and was one of the ablest, the best. I'd pick him and Horace Howard Herr as being the two ablest newspapermen that I've known. I didn't know Norman Hapgood in those days, but he was a magazine editor when I got to know him, and he would be the greatest two—one of the three, and we became good friends.

Well, anyhow, I got Hull to take—draft Kearnes in as his assistant, or one of his advisers, down there. And so by that time I had become a political independent of independents, because in 1919 I had a very interesting thing, to me. I didn't know what happened, but I was covering the

Senate as always, among other things, and that was just about the time when the farmer rebellion had started. In fact, two members of the House appeared on the House floor dressed in farmer's outfits on that day,

[39]

from Kansas too they were, and made speeches. And the farmers—there were hundreds of them around here meeting every day at—oh, that wasn't very important. But anyhow, I covered them pretty much, I was on the outs. But I went over to George Norris and became chairman of the House Subcommittee on Agriculture, and I went into Norris' office one day, I only knew him, I had met him two or three times in the hall or something to say, "Hello, Senator Norris, is there anything doing," or something and went on. That was a common thing, we—I went in to see him and talk to him about this agriculture bill, the last time I would see him again. But weeks later I got into this little Senate press gallery at 4 o'clock and Jim Preston, who is the manager, called and said, "John, Mable Talbert wants to talk to you on the telephone.

Mable Talbert was Norris' secretary. And I called her and I had not spoken to her more than ten words in all the time I was around the Senate, she was around there too, and I did not know her. I called her and she said, "Will you come over right away?"

And I went over and she said, "Could you arrange your affairs so that you could get over here when the Senate adjourns and stay here with the Senator until he goes home at night? He'll go home about a quarter of 7 every night." And she said, "He's very much depressed

[40]

by a lot of things that are going on now, he goes through these periods of depression quite regularly now and then, but I don't think it's good for him, or for the office, or anything else, for a woman to stay in the office, and yet I don't want to leave him here alone.

And I said, "Oh, I'll do much better for you then that Miss Talbert," I said, "now, I'll go in and see "Hi" (Hiram W.) Johnson, because Johnson I know very well, and Bob LaFollette, Bob, I know old Bob Lafollette very well, and a few more of the gang, progressives, and get them to drop in here."

And she said, "No, I don't know why Mr. Carson, but I mentioned just that, I thought that would be well too, but he said, no he would like you to do it and to call for you."

I said, "Well, you can bank on it, I'll be over here every afternoon." So from then on, why, Norris practically adopted me as his son and I adopted him as my father, our relationship became that close. We went on vacations together, I lived with him, and by long odds, he's the greatest Senator that we've ever had as the Senate—the panel for the Senate committee. When they chose the five greatest Senators, Norris was voted to be the greatest of all that have had it in the history of the Senate.

[41]

Well, I can't say too much about him, he was the ablest guy, most courageous guy. Well, I loved him very much and my house was the only house he would go to socially, he wouldn't go to the White House, but he would go to my house. Whenever there was any trouble in the office, any worries at all, I was called in. The day before—when he decided—he hadn't decided—in 1920 he called me in and sent for me and I went down in the morning and he said, "What are you going to be, are you going to be for Hoover, Herbert Hoover?"

And I said, "Not on your life!"

He said—he knew that I was a progressive by that time, I was only holding—well, I'll tell you this, and then I'll tell you something else, that was interesting to me. I said—he said, "Are you going to be for Smith?"

And I said, "Yes."

And he said, "Why are you for Smith?"

And I told him why I was for Smith and he said, "Well, that's enough, I've decided I'm going to be for Smith now, When should I come out, should I come out now, make an announcement right now?" That was about August. He said, "I can do this, I can defer making an announcement and go out as a progressive and make a campaign for all of the progressive Republican Senators." And he said,

[42]

"[William E.] Borah will be out ahead of me for Hoover, but I'll make the campaign so I'll come right in behind Borah and try to cut the ground out from under Borah, and I'll be for Smith."

Well, I called another friend of ours, Harry Slatery, who when he—he was Finche's representative down here and a friend of Norris' too, and I called Harry down and we talked that afternoon, Norris decided to defer it until he could cut the ground out from under Borah.

So, I had that experience with—the other thing, this will tell you a little bit. This fellow Sam Ralston, Governor of Indiana, came to Washington as a Senator and he called me and asked me to come up one evening a day or so after he got in, and he said, "John, you've been down here a good many years, and you know all these fellows, I don't know anybody. I'm going to be in the Senate, and I would like very much to have your help. I'd like for you to sit down and talk to me about the Senators and so on, so that I can get acquainted quickly and know what I'm doing."

And I said, "I'll be glad to Governor," still call him Governor, but I said, "you know when I left Indianapolis I was a Democrat as you know, but I'm an absolutely independent guy now. I am with progressive

[43]

Republicans: George Norris, old Bob LaFollette, Hi Johnson, [Lynn J.] Frazier, 13 of them, but I'm only a volunteer secretary, organizer."

After that he said, "Well, John" he said, "no, I can't go along with them at all, you know that, I couldn't do that." He said, "I know my Jefferson Bible too well to do anything like that."

I said, "I can't be for anything—they may be fine men, but I can't, that ends that."

And I said, "Yes."

Well, about a year later, I was standing in the President's room with Charlie Ross, one day we were waiting for some Senator to come out. President's room was right outside of this little chamber and [Samuel M.] Ralston came out. And he walked over and got me by the coat and said, "John, you should have been with me last week, the end of last week, I was back in Indiana making some speeches. I was up in Fort Wayne and I made a speech you would like to hear." He said, "I said the progressive Senators down in Washington were the great patriots, and so on."

I said, "What do you think of Norris now?"

He said, "The greatest Senator that I've ever known or will ever know," without a plug. Here was this old conservative Democrat, going all the way over.

[44]

Well, anyhow I stayed there with that staff of Scripp for a while and then Senator James Couzens came to Washington, and Jay Hay of the Detroit <u>News</u> and I had campaigned with the Newberry case, the Detroit Newberry. Jay Hay was a progressive, died here just the other day, a very progressive guy and the News was progressive in fighting against Newberry who—they had spent something like three hundred thousand dollars to be elected to the Senate, and I had gotten some information that Jay wanted. I didn't know Jay, but I went by his office and gave him the information and from then on he and I became friends, that was in 1920, '21. And Couzens came to Washington and Jay—he was sworn in one day and Jay brought him up. And the publicity he had got before he came to Washington, the "richest man in the United States Senate," Ford—"the guy that made Ford," and so on and so, and all that publicity. And Dan Sigpence of the—in the press gallery, they were running down to Couzens to get interviews with Couzens. "Couzens this," and "Couzens that," Jay brought him up to the press gallery to introduce him to people and I know I was standing over by the window with my back to the room and Jay brought him over, tapped me on the shoulder and said, "John, I wasn't you to meet Senator Couzens," he said, "this is John Carson."

[45]

And I turned around and said, "Glad to know you, Senator," and so on and turned around to the window, and they went on. And then some time later I was writing this anti—I had written this anti-Mellon stuff. Jay came in one day and said, "Couzens wants to make a speech or do something. He wants to make a find on this Mellon tax bill. And I told him you were the only newspaperman in Washington that knew anything on this taxes. And I told him I would get you to go over and talk with him."

So, I said, "Okay," and I went over to talk to him and I said, "Now Senator, you know I haven't bothered you at all."

He said, "No, no you haven't, why?"

And I said, "Well, you got so damned much publicity when got down here, this gang in the press gallery, Sigpence running after this gang now, and they were chasing you around, and I was one guy that wasn't going to chase you around. And I didn't make any effort to say hello. I want to tell I didn't have anything against you, but I don't agree."

So he said, "I think you'll find, Mr. Carson, that I can't be President of the United States, I've gone as far as I can, because I was born in Canada. So you needn't try to do anything for me at all," so we became friends and with him.

[46]

So, I went over to him that night and he handed me a letter that was writing to Mellon, denouncing the Mellon tax bill, asked me if I would run over it and tell what I thought of it, and I said I would. And I went over it and then I took it back to him and I said, “Well, I wish you would give me the rest of these nights, 24 hours, I want to think about this.”

And he said, “Come back then tomorrow.”

And I said, “Yes, I would.” I went back the next day. I said, “Well, you’ve gone at this thing—I think you’ve laid yourself open too much to Mr. Mellon on this thing.”

He said, “What’s wrong?”

And I said, “Well, Senator all you’ve got is a lone economist helping you there; Mellon’s got all of the economists for all the banks, the insurance companies, all of the Treasury, and everything else down here. Here you are, and you’ve made eleven categorical statements there. Mellon will do the smart thing, he’ll pick out one or two of those statements on which you are absolutely sill that he can saw the limb off—he’ll put you out on that limb and saw it off and make you ridiculous until you’re whipped. I don’t care whether your other nine statements are good or not, you’re whipped.”

[47]

And he said, “What would you have me do?”

And I said, “I would just change it around, I’d be a little humble about this. I’d write and ask him questions, and then let him go out on the limb and then you can saw the limb off on him.”

And he said, Couzens said, “I told that damn girl to write that in questions.” I don’t think he had.

So he called in his economist and told her to write it in questions. That was along in October of that year, I think 1922, ’23—’22 I guess. And I left and didn’t see Couzens anymore, but I waited—Couzens went out to—no, it was later than that, it was right around December, well, the Christmas holidays. Couzens went back to Detroit for the Christmas holidays and he got out of town and I went down to the Treasury. The Treasury had only one tax expert in those days, a fellow named Joe McCoy, actually a very able man, but a fellow who was—he had no college education I know of, but he knew his stuff. He was the greatest authority for many years around here, and the only one on taxes and tariff. He had his office down in the basement and he and I became friends and I said, “Joe,” I said, “Mr. McCoy, did you get a letter from Couzens for Mellon?”

[48]

He said, "Yes, here it is," and he handed me the letter and I read it and saw that it had been written in questions and asking for things.

And I said, "What's Mr. Mellon going to say in reply? And he reached under the blotter and pulled out a penciled, little letter, one paragraph and handed it to me, and I read it, didn't say anything, put it back.

I went by—I went to see Jay, and I said, "Jay, if Mellon signs this letter that Joe McCoy's written, all hell is going to break lose."

And he said, "Why?"

And I said, "Well, you know Couzens, but Joe has written a letter, but the last two sentences, just one paragraph, about a hundred words, and the last two sentences he says in this letter to Couzen, "What I want is diagnosis and cure of the economic situation and tax and so on "(he didn't say that) but, "What I want is diagnosis and cure, what you want is just an autopsy."

Then when Couzens came back to Washington in January, and I didn't bother him when he came back in the afternoon, I didn't bother him, but the next morning, or the next afternoon, I went up to see him and I said, "Did you get a letter from Mr. Mellon in answer?"

[49]

"Yes," he said, "I want you to go out, I want you to get me, I don't care who you get me, get me two, three, a half dozen, dozen, tax experts, the best. Get me the best you can get, I want you to help me on this, get some help on this. I don't care how much, I'll give him diagnosis and cure," and I just had to laugh. He says, "What's the matter?"

I said, "I saw that letter in Jay's office."

He said, "I got in here yesterday afternoon and my damn secretary brought it out to my house and last night I couldn't sleep all night, I tossed all night." I remember he said, "I cut myself twice shaving this morning."

Well, I went out and tried three different fellows who were competent to face the job he wanted for him. I can't think of all their names, one was a fellow named Nash, and one was Johhy somebody who is the head—had been the top man for the House Ways and Means Committee for years, but had gone back into law, and some others. I ran into three and I tried—no one would work for Couzens, because the story was that Couzens was impossible to get along with, that he was quick to fire people, and so on.

And I went by to his office and I said, “Jay, I tried to do this job for your friend Couzens, but Johnny what’s his name, won’t take it, Nash won’t take it, and so on won’t take it, they say they can’t work with

[50]

Couzens and they’re not going to take it at all.”

And Jay said, “Has he talked to you about the job?”

I said, “No.”

He said, “Well, he wants you.”

And I said, “He can’t have me.”

And he said, “Why?”

And I said, “Jay, I’m Irish, and Couzens—Couzens is accustomed to calling people damn fools and he’s not going to call me a damn fool, because I’d call him one right back, and we’d swing if necessary.” So I said, “I can stay three squares away from him and give him the help and he doesn’t need to pay me a cent, except I want the stories and I’ll give you the stories too. I’ll play with him and give him all I can give you.”

He said, “No, he wants you.”

I said, “I won’t take it.”

He said, “John, I got along with him, I was secretary of the street—railway commission in Detroit when he was a member, I got along with him. I'm sure you can get along with him. Will you talk to him?”

And I said, “Yes.”

[51]

So, I went over there—I called him—or Jay called him, and I went up to talk to him and I said, “Jay tells me that you want me as Secretary,” and I said, “I told Jay I didn’t want the job, you couldn’t have me as your secretary.”

And he said, “Well, why not?”

And I said, “Well, I’ll tell you what I told Jay. You’ve been accustomed, Senator, to be a big boss and calling people damn fools and so on. You couldn’t do that to me, because I won’t take that kind of a line, and you would call me a damn fool, and I’d call you one.”

And he said, “Well, I can get along if you get along with me,” he said, “Yes, I do, I have that habit, failing, I do call people damn fools, but I’d never call you that, because you wouldn’t take it.” He said, “Well, you come over and try it for three months, and I’ll see that you never suffer financially for it at all. If you don’t like it after three months, or I don’t like you, you don’t like me, we’ll call it quits and we’ll be friends, and you’re not lose financially, won’t suffer at all. Come and try it for three months.”

So I came home and talked with Mrs. Carson. I didn’t want to take it. I said I wanted to stay in the writing game, but I decided that this was a fight on Mellon, the Mellon tax bill, so I will go. I went with him

[52]

and then I stayed with him for thirteen years, and we fought about once a week, or once every day or so. And he called me stupid, and I called him things and so on, but we got along. And I have to finish up that one thing I told the kids about.

One of Couzens campaign managers, Billy Tom Payne, came to Washington one day, and Couzens wasn’t in town. He said, “John, you’d ought to stick with Couzens.”

I said, “There’s no question of sticking with Couzens, I’m doing more here than what I want to do for good government than I could do anyplace else, and the salary isn’t any better than I made in the newspaper business, but it’s as much, and just about what I was making or would have made, but I would stay in.”

He said, “But Couzens likes you.”

And I said, “No, he doesn’t like me!” I said, “I know when people like me, but that doesn’t make a damn bit of difference, he’s going to respect me.”

And Tom said, “Well, that’s it. Yesterday afternoon we golfed, played golf out in Detroit, got to talking about you, and Couzens said the thing that he liked most about Carson is that you have never been a butler.”

So, then he knew, he warned me that I wasn’t going to be able to get him to go along with George Norris on everything George Norris wanted to do and so on.

[53]

I said, “Well, we have an agreement when I came with you, anything that I propose I’ll propose it to you first, if you don’t want it I’m going to be free to give it to somebody else.”

And he said, “Okay.”

So, I’d tell him something I wanted done and if he didn’t do it, I’d go down to Norris and Norris would give me the tough job. I remember one, he said, “I see you saw Norris today. You couldn’t get me to do that, but here he comes into the picture.”

Well, I—so that continued with Couzens for thirteen years, and in that time I think I had—I did—I had had—before I went with Mr. Couzens, the other thing that was of tremendous interest to me at that time, I had launched a fight we had on that—at that time away back in ’20, ’21, a sugar scandal. A gang had begun to—had got a corner on the sugar market and I didn’t know where it was, but I had some information about it and I began to watch the prices and I began to write a story about it and then one other fellow came to me and called me and asked if I could become—he came to see me, I don’t remember his name, but he was a man ten or fifteen years older than I, and told me, he said, “I represent the American sugar industry, the refined sugar industry or something. It seems to me the American Cane Sugar Company down here, and I want to help you writing this

[54]

stuff.”

And I said, “Why?”

And he said, “Well, I’ll tell you why,” he said, “this thing is going to be absolutely murderous for the cane sugar industry.” He said, “I’ve told them what they are doing is wrong, but I’m going to stop them,’ he said, “If cane sugar gets up to these prices, we’ll have so much beet sugar running out of our ears around here, and we’ll never recover. We’re making enough money out of the cane sugar industry as it is.”

I forget his name, but anyhow, he came in every night and gave me all the background, went down on the market, showed me what was happening and so on and he told me then that the National City Bank was the crowd that had gotten the corner on the market down here. So that became a famous crusade and got a lot of plants called around and places to make speeches on at that time. And it's only of interest that it finally broke on the—Mitch Polymer, or one of the—the Attorney General, refused to let a shipload of sugar to go into the British market in London, and ordered the ship to turn around, under some authority he had. I don't know what it was now, and brought it back here and dumped the whole cane sugar load—shipload of cane sugar on the American market and they broke the price, and the price

[55]

went down, down, down, down, and wound up showing Cuba was bankrupt—wound up showing that I think that the National City Bank owned all but two of the centrals in Cuba, and the centrals was the manufacturing mills and so on. They owned something like sixteen or eighteen, they absolutely owned Cuba.

Well, the National City Bank, the fellow, the president, aspired; sugar went back down four and a half cents. And eventually Warren Harding came in and Herbert Hoover, Secretary of Commerce, made a loan to Cuba, sixty million dollars and sent Crowder, the former general, down to Cuba to supervise the expenditure of this money, to restore stability to the Cuban money and so on. What they did, they caused the American public to pay all the cost of that gamble in sugar.

But that became famous, but as a result of that I got a call one night, telephone with which others get around here, or did in those days. I didn't know who the caller was, to tell me that I should look into this proposal that was made to investigate Teapot Dome. There was a resolution up in the Senate committee, the Public Lands Committee, to look into it. I would find a great scandal there and so on. I couldn't find—but I went up and got the resolution that was introduced by Bob LaFollette in the Public Lands Committee and I began to

[56]

get into that and [Reed] Smoot was then chairman of the Senate committee on Public Lands, and Smoot didn't want the investigation to be made and he—they just turned it over to the committee, and the only member that took an interest in it was Tom [Thomas J.] Walsh, Senator Tom Walsh. Well, I got into it and I knew there was enough. I talked to the Senator from Wyoming at that time, I forget his name, a very fine man, but I talked with him and I had enough to go on to be sure I was on another big one.

And when Tom Walsh started his hearings, the room was filled with newspapermen. He had some from the Interior Department and others up there. [Albert B.] Fall wasn't in town, but he had others up there for him, and he didn't get any place, and within three days all the newspapermen had left. But I didn't leave, I was sure that there was something there and I went at it and—it's been so long ago I don't know, but I had gotten to the place where Walsh and a young man named Holland, who was his lawyer's secretary, and I were the only three that sat in there day after day. That went on for three or four or five months, I think.

And then one day on a Sunday, the AP carried a story out of Washington that "Experts at the Interior Department had discovered that there was a saddle between the two domes, the loyal domes and the teapot domes.

[57]

The saddle broke and the oil got out and there was all this talk about the teapot dome as the "tempest in the teapot," and so on and so on. Well, I rushed up to the Senate the next day and went to Smoot, chairman of the committee, and said, "Senator, I have you got this statement from the experts of the Interior Department?"

And he said, "No, it probably went to Tom, to Senator Walsh."

Well, I went around to see Senator Walsh, Senator Walsh is before your time, but he was really a remarkable guy. I don't think I ever saw him laugh or smile. He was a Democrat of Democrats as long as it was honorable to be a Democrat, when it became necessary in one period, when Mr. [A. Mitchell] Palmer, who was former Democratic National Chairman, and then became Attorney General in the last days of the Wilson administration, and was running for the Presidency, the nomination, which went to Jim Cox and Franklin Roosevelt in 1920, well, Palmer had brought in Billy Burns, the old big detective, I forget his name, but he was a famous detective in the United States, to become head of an investigation department. And I think the record will show that they brought in a young man to be a clerk, and the young man's name was J. Edgar Hoover. And Burns went off to Detroit and they arrested something

[58]

like 300 Communists, so-called.

Well, one of the Detroit papers, a good guy saw that and went over and wrote a story about it and put these 300 people in one big cell so tightly wedged they couldn't do anything but stand up back to back. They kept them in there all night. He wrote the story about them and Walsh immediately introduced a resolution to investigate them and he brought them out. He just gave Mitchell Palmer, this Democrat, oh, he gave him hell. He gave—and I am sure you could find the record, he got J. Edgar Hoover on the stand, and he gave Burns hell. That became the Red Rage case and it established Walsh again as a fighting guy, but, well, he was on the Teapot Dome thing. I ran around to his house on Monday morning, and said, "Senator, did you get this thing from Interior?"

And he said, "Yeah, I got it, Mr. Carson," and he showed it to me, and he said, "I guess that finishes the investigation. If there's no oil there, of course, the investigation is over."

I said, "but Senator, don't you see what you're doing, these damn guys, this is an act to stop the investigation. This thing is fraudulent on its face," and I said, "I'm not stopping, this thing won't stop," and so on, so on, so on. So they went into the hearings and the next day—well I did, I called Pat Kearnes of the committee

who was --- and I told him the boss was running out on this thing, not intentionally, but he—well, anyhow, then I go ahold of Harry Slattery, who I had found had yet written a resolution that Bob LaFollette had introduced. Harry was the official secretary and he knew Bob LaFollette; that's old Bob, Bob was in Paris. Harry wired—cabled old Bob that Walsh was stopping the investigation and old Bob sent a cable back to Walsh demanding that he should not stop the investigation until he could get back. He said he was on a trip to Europe, but he was stopping the trip in Paris and was returning on the next boat to the United States, and he didn't want this thing stopped until he got back.

A couple of days later Walsh, at noon, said to me one day, "What are you doing at noon?"

And I said, "Nothing."

He said, "Will you come up to the office?"

And I said, "Yes," and I went up to the office.

And there sat Cordell Hull, who was chairman of the Democratic National Committee then, and Senator Andrieus Jones of New Mexico, and he said, "Gentlemen," he said, "I know this thing is rotten, but I'm finished. I can't prove it; I can't show Hull what has happened here. I can't reveal it, I can't find it. I've done everything and I don't know what to do with it. I wonder if you have any suggestions." He said, "Somebody has been putting the heat on me." Well, that was because he knew the guy that got Kearnes to put the heat on somebody, so I knew that he knew that somebody had got Tom Walsh and Bob LaFollette to send that cablegram and he looked right at me and he said, "have you got any suggestions, Mr. Carson?"

And I said, "Yes." I said, "You're running this investigation like you're trying a law case. But that isn't the way to run this investigation." I said, "You prove two today, that about three days later the two doesn't mean anything, and then about three days later you prove another two, and it doesn't mean anything. Now if you had somebody up here to prove that two and two makes four, somebody up here to take your testimony and hand it to the newspaper to show what you're getting at."

He said, "That's a good idea, who should I get?"

And I said, "Well, Judge," to Cordell Hull, "you've got Pat Kearnes down at the Democratic National Committee, assign him up here to do this."

And Hull said, "Well, I can do that." And then he said to—Walsh said to me, "Do you know anything about a man named Carl McGee of New Mexico?"

[61]

And I said, "Yes, he's the editor of the Scripps papers. I know him." What did I know about him, I said, "I know a little about him, but not much."

He said, "Can you get him to come as a witness?"

And I said, "Yes," and I went back, went down to see Bill Tolbert head of Scripps, and I told Bill and Bill sent—wired McGee to come on, and I wired McGee and McGee wired back, "I won't come without a subpoena."

So I went up to the Senate and got Walsh out and we went into the Sergeant of Arms office and Walsh put a subpoena on him. And he came in town, came in town on a Sunday, and he came up to my office Monday morning. He was to go on the stand, he was in a big hat and hard boots, high heels and all this stuff, and he went on the stand. I don't think he told a damn thing that hadn't been told by other people in an earlier period.

Now, whatever was the reason, I can't tell you, no one else can ever tell you. He frightened Fall, Secretary of the Interior, and Fall gave—went to the trouble of putting out a statement saying that the money he had gotten, the $200,000, or something that they said he had, fixed his plantation out in—or his ranch out in Arizona, he had borrowed from Ed McLean, the owner of the Washington Post in those days, he was a multi-multi-millionaire.

Well, that at this point I didn't move quickly enough.

[62]

I don't think I would have been smart enough. Maybe I would have been, but there was a correspondent here in those days named Paul Anderson of the St. Louis Post-Dispatch, he went—was smart, went to Walsh right away, and he said to Walsh, "Now Ed McLean is down in Florida. Why don't you go down to Florida and put him on the stand. Don't say a word, but subpoena him and then bring him right on the stand, now."

Walsh said, "Okay." And Paul Anderson went with him and they went down there and put Ed McLean on the stand, and McLean said that Fall had never gotten a sum of money from him it was a lie and so on. And that broke the Teapot Dome case. Fall went to prison you know, and all. I was in that.

And so Couzens—then I went to Couzens. Well, Couzens wrote this letter and this is when I came back. And then Couzens wrote him another letter and he just (the villain) just replied very contemptuously about it, and Couzens said to me then one day—I wasn't with him at that time—Couzens called me in and said, "What am I going to do now, he's got me stopped, I can't move."

And I said, "Well, if I was you, I think you've got to move. You can't run out, he's made a fool out of you,

[63]

you've got to fight. I'd introduce a resolution to investigate the Bureau of Internal Revenue."

And he said, "Will you write the resolution?"

And I said, "Yes," and I wrote it, and he introduced it to investigate the Bureau of Internal Revenue.

I remember when we were on that, he and I, I went with him then and we were on that from 1924 to '28. That investigation got very little publicity, but it was by long odds the most important investigation that has been made around here in my time. I had estimates—I know that there was 18 volumes of it, but because the law prevented anybody from revealing anything that they got from an income tax, and the Treasury Department had held that even the officials of the Bureau, the employees, could not give the Senate any information from an income tax. Well, so when we got out, investigations started, they agreed finally to let us hold these investigations in an executive session with a record that wouldn't be made public at all. So, they couldn't get any publicity on it all, and it went on until—but we finally exposed Mr. Mellon, the famous Mellon bank case, the Gulf Oil Case, the Aluminum Company of America Case, and all kinds of cases that are in here.

[64]

Mr. Hess, the chief investigator of the Bureau of Internal Revenue at that time, the chief agent, was a fellow named Frank J. Wilson. He later became—he was a Republican—he later became head of the Secret Service Company for years, and he was probably the—oh, he was a most distinguished man. He broke the Al Capone case, he even broke the Lindberg case, and so on, others got some credit marks, but Frank Wilson did the job on both. I ran into Frank Wilson oh, just—he's dead now, just died recently, I ran into him about ten years ago one night and said, "Mr. Wilson weren't you the chief investigator for the Bureau of Internal Revenue?"

He said, "Yes."

And I said, "You went to the head of the Secret Service?"

He said, "Yes."

I said, "Didn't you, weren't you the fellow that investigated the Dan Hickey—when Dan Hickey, an employee of the Bureau, was trying to expose this, didn't you call him in and give him a grilling?"

And he said, "Yes."

And I said, "Well, two days later you called Dan Hickey in and whispered to him how to write this to show this thing up."

[65]

He said, "Yes," he said, "Mr. Carson in all my career that's the worse conspiracy to defraud the government that's ever been in the history of the government. He said, "The bureau of Internal Revenue," he said, "there's millions, well, I had one estimate on that."

SIDE TWO

CARSON: We got to the place, we turned up the famous discovery depletion thing, and a lot has been written about that, but the newspapermen will not give him the record to get the story. But that was probably the worst fraud that I have ever experienced.

There isn't a bit of doubt, Mr. Hess, that every lawyer that—lawyer for the oil companies, the officials of the oil companies, have to know what they did on that. They were stealing at least in—we the investigators, engineers, for our committee who went in—they got some honest men in the Bureau of Internal Revenue who were—they were stealing at a minimum of 275 million dollars a year, the oil companies had. That was '24, it's probably, it'll run now they are stealing at least probably—I would bet today, I'm not competent, but I would say today that it won't be less than 750 million dollars a year or a billion dollars a year that the oil companies are stealing on this depletion racket, and there is no justification for it at all. I challenge

anybody to justify it.

HESS: What is the depletion now, 27-1/2 percent?

CARSON: No, it's –yes, it's 27-1/2 percent. Originally, well, I'll give it to you quickly. When World War I came on the oil companies came before the House committee and pleaded for a special depletion allowance for the wildcatter, the little wildcatter only. They said that we need oil to win the war…

HESS: The man with limited capital.

CARSON: He was the wildcatter. They said the wildcatter's the man, he goes out and collects the money until he can get a half a million dollars for this thing, and then he goes in and if he gets a dry well, a dry hold, he's out. And then he goes on, but if he gets one or two holes, he maybe will recover. But if you're going to—when he gets these two suppose—it goes something like this. Suppose he has invested a million, a million and a half dollars and he hasn't got a thing. Then he gets a well, a gusher, and he's got to get his million and a half off of it, he's got to make more profits than that. Now he can't sell the lease and make more money to go on, and that's what they have to do, because you're walking in here with an excess profits tax that runs nigh onto 63, 65, 70 percent, and if you're going to take 70 percent of a million and a half, he'll never be able—he's just whipped, so you've got to do something about it. So they proposed that, and they got an amendment through and it read, "In the case of mines, oil and gas wells discovered by the taxpayer, and not acquired as the result of a proven tract or lease, the value for depletion purposes shall be," I think it was 27-1/2 percent, now maybe I can't—you saying that made me think it. They got it through, although Bob LaFollette fought it for two days, they finally got the Senate to approve it.

When it was just three months, they said—now they said before the committee, said it's going to affect the big companies at all we're not interested. We only want the wildcatters to be encouraged, because if the big companies have a—if the big companies have a loss on one well, they just charge it off against their profits on wells in Oklahoma, and Texas, and so on and they—just the poor little wildcatter. Three months before the Wilson administration went out, after Wilson was beaten, somebody, and that's—we were stopped before we could get into it, somebody in the Bureau of Internal Revenue, the solicitor or somebody else, wrote an interpretation of the statue and he said, this statute says in the case of the wild—you see they hadn't audited any of the returns for the years. The Bureau was stacked high with these returns, three and four years old. This

[68]

statute means in the case of mines, oil and gas wells discovered by the taxpayer, they would get 27-1/2 percent decreased, or something like that. No it wasn't 27-1/2 but something like that, I'll get it for you. It also says in the case of mines, oil, gas wells discovered by the taxpayer, and not acquires—so if he hasn't acquired it as a proven tract or lease, he also gets it. It creates two classes to get this thing. Now if you look at it, and we didn't, we were just into this thing up to our neck when something happened. The other people came in, all the Gulf Oil, Standard Oil and all the—came in under this second clause, you see. We got the wildcatters in the first clause, the other guys in the last clause, all the big companies walked in. That was—now, we—I was—the committee had an attorney and a couple of engineers working it and so on. This attorney I never knew just whether—he hadn't got this through the committee, he got it through the committee because he knew Senator Andrieus Jones from New Mexico, a very fine man on the committee. I said to Couzens one day, I went in and showed him this thing that we had discovered, this evidence of this secret opinion that had never been published. We couldn't find it anywhere published. They found, this engineer told me they found it over in the Congressional library, but papers had been pasted over it so that if it was found

[69]

there, everybody in the game knew it.

So, I went into Couzens and said to Couzens, here it is now, we'll show you the whole thing. Well, he hit the ceiling, but he called in this attorney, I remember this morning he called in this attorney, and the attorney and he talked for quite a while and Couzens buzzed his buzzer and I went in and he said, "Carson, Manson says you're all wrong about this. Manson says that the clerk would hold that you had to interpret those two sections."

And I said, "I'm interpreting the two sections."

And Manson said, "No you're not."

And I said, "Yes, I am." I said, "What the guy that wrote this thing, whatever Senator wrote this provision, he wrote, 'in the case of mines, oil and gas wells,' he knew that that was granting a subsidy of considerable importance to the oil industry, and he got there and he decided he wanted to hang something else on them and he said, 'and not as a result of a proven tract or lease.' Now what he did, he said they had to prove two conditions, not only that they were discovered, but also that they had never picked up something in a proven tract or lease, it wasn't a discovery." And Manson said I was all wrong.

So I said, Couzens said to me, "Okay," and they went away, but after that he got away, Couzens called me in again,

[70]

he said, "You lost your temper in here didn't you?"

And I said, "Yes, I lost my temper in here."

He said, "Well," he said, "it's a hell of a good thing to have a temper, and it's a hell of a good thing to lose it now and then." He said, "The Ford Motor Company wouldn't have lived if I hadn't had a temper, but I had to go in and kick hell out of Henry Ford." Couzens of course, was the first boss, Ford's boss for seven or eight years you know, he ran the company. So, he said, "I have to kick Henry too but he said, "Look, Manson's a lawyer, he's a lawyer for the committee, if you find any lawyer around here in the Senate that will agree with you, I'll go into the Senate and make Manson jump through, but I'll be in a hell of a fix if I go into the Senate and say my secretary who is a newspaperman said that."

And I went to see Bill Borah, and I went down and Bill Borah had just got in that morning, snow on the ground, I remember he had his shoes off and his socks upon the ledge of the desk. His secretary wouldn't let me see him, I had to talk to her and she replied that—Miss what's her name—this is a complicated question, a very difficult question, a very important question and she said, "Well, maybe you had ought to see me."

[71]

And I said, "Oh, I'm not going to see you." I turned around, walked up to the end to Senator Amherst Jones, Democrat from New Mexico who was on our committee, and who had gotten Manson the job for Couzens.

I went in to Senator Jones and I said, "Senator Jones, look I'm referring to this, whoever wrote this provision, this bill. I can see just what he did. He realized that when he got the first section there, he knew that this was very questionable, because the House kicked it out, the House wouldn't have it. It was dropped into the Senate, the House fought it, kicked it out. He knew that he was granting—he had granted this thing and he was going to tie it up as closely as he could to sell it honestly and then he put this other paragraph or clause in here. In fact, what he said was, 'You have to prove that you have filled the demands of both clauses before you can get it.'"

And Amherst Jones looked at me and said, "You're exactly right, Mr. Carson, I wrote the section, that's just what it is."

I said, "Will you say that on the floor?"

And he said, "Yes."

And I went down to see Couzens, and Couzens said, "Give it to me, I'll do it."

[72]

Well, Couzens started in. All hell broke loose at that. Immediately the pressure was put on us by the oil crowns, oil lobbyists to stop the investigations. You know, before they got through they brought suit against Couzens and Ford that they had not paid their taxes, when Couzens and Dodge of the Dodges, and Couzens and the rest sold Ford, that they hadn't paid their taxes, that they had paid it on a fraudulent basis and so on, and they sued Couzens and then the suit was estimated right at—he'd pay ten million dollars additional taxes and the others would pay—all of them pay about 20 million dollars, would be about thirty million dollars they—they told Couzens however, if he would not talk about it at all, they would just sign a waiver—not talk about it, they would try to find information. So that it—wasn't justified, but they had been given information, factual information, they had to go through with this thing. I was in on that too.

Well, Couzens told them to go straight to hell, he wasn't going to be blackmailed with that kind of stuff, to go and publish it, and they did. Well, that finally, that suit, went before the board of tax appeals and they testified the facts of the suits before they could be heard again.

[73]

And then one day I got word that there had been another case in the '20s, and it was against Henry Ford when Henry Ford was running for the Senate against Newberry out there, to help Newberry. The Bureau had gotten a letter from somebody—had gotten from somebody a memorandum of this kind. And I was chasing that down to find out where it was and it was just about the time we—one night a couple of men came up to Couzens' office and they were introduced by a very close friend of Couzens and they went in to see Couzens and when they came out they went away and Couzens always let me ride him home in my own old car. He had two chauffeurs, a chauffeur and two Lincolns out at his place, and he would go home with me and we'd fight all the way home.

He was a great man. Couzens was great. He was the only rich man that really meant what he said. He meant that—you see when I went with him he had given away more than fifty million, and he had 49 million left. I saw the bank statement every month. But he had made up his mind, he had fixed his family to be modest, he might have given each of them a million dollars taxes—estate gift, but he still had 49 million left and he made up his mind that he was going to get rid of the whole 49 million and he meant it. He said, "It's the public's money, I'm nothing but a trustee for it, and I'm going to get rid of it."

[74]

He said, "I've got 30 more years to live, and you've got to stay with me and help me get rid of this money," he was sixty-three then. Well, they brought this suit and he said—well, no. When these fellows came up with this thing up that night, Couzens went out, and when he came out of his office, through my office, he was slinging his overcoat on. He finally had one arm in his coat, and he said, "Do you know what they wanted?"

I said, "No."

"To tell me that they've got a defense of our tax case that they're so sure of that they'll guarantee that they will present it, and it hasn't been presented, they'll present it, and if they are successful that within three hours—they will gamble that within three hours the Board of Tax Appeal will throw the case out. If they get it out, throw it out in three hours they want 5 percent for saving it, if they didn't throw it out in three hours, they want nothing."

And I said to him, “Well, you didn’t sign anything, you didn’t agree to anything did you?”

And he said, “No, why not? Why shouldn’t I?”

I said, “Don’t you see what this is, this is another pair of tax fixers. This town is just filled with them, as we have proved. The record of the hearing will show you how they work.” I said, “… this tax.

[75]

Here we are up here raising hell with these tax fixers, if we ever get a chance to publish all we’ve got, and you are not letting this pair come up here.”

And he said, well he said, “I’d like to know what they got, what they’ve got—what they have,” and put down a pencil put some figures down, and he said, “I’d give $300,000 dollars?”

And I said, “$300,000 dollars?”

And he said, “Yes.” No, no it wasn’t—let’s see it was—yes, $300,000.

I said, “This isn’t 300 thousand dollars. Five percent of ten million, that’s five hundred thousand dollars he’s asking—they’re asking. But they also, there’s 20 million there, the other gang, they are partners, that’s a million and a half dollars if they put this thing over.” And I said, “Give me 24 hours; we’re not going to have this thing.”

So I went off that night and got some help and I got information that there had been a similar case against Henry Ford, looked similar at least, and I got the names of some people and the girl, and I got the names, the record of the fellow that came to our office, which was that he was a tax fixer, he wasn’t a lawyer, he got lawyers to present cases, that he did in this case, a very clever guy.

[76]

Well, the next day they came up to see—sent a contract up, and Couzens wasn’t in the office, and I sent the contract back and I told them that we weren’t signing anything. They called me by telephone then telling me that that contract had to be signed and so on, and I told them to get the hell out and stay out there wasn’t going to be signed.

Well, they came to the office that night without asking for an appointment, they thought they could get Couzens to sign when I wasn’t there. I was there in the outer office, and when

Couzens came in I told him what I had found. He just gave them hell, kicked them out of the office and they threatened to sue him and everything else and so on and so on. He didn't find out anymore than I was finding out, but I had enough.

Well, I called Detroit where the board was sitting there, and I talked to Couzens' lawyers out there and I said, "This pair will be out there trying to see l the Dodges and you people, but watch out."

And the lawyer told me, "Well, a newspaperman out here, John, just told me something about these facts, something like you are telling me now."

Anyway he knew something about it. The next day the board was meeting, just as it finished, John W. Davis, the great lawyer, Democratic candidate for the Presidency in '24, was representing the Dodges, as I recall. He took

[77]

the floor just before the board adjourned at noon and he said they <u>knew</u> that there was a file on this case that hadn't been presented by the Treasury Department, and he went on to say that the law obligates you to give the taxpayer this information and we're going to get it if it takes the subpoena produced to get every paper in the Treasury Department.

They adjourned, and at 3 o'clock that afternoon, why, Mellon's attorney came in, he was attorney for the Bureau and Treasury, he came in and showed the file. Now, I've got someplace in my files, photstats of that file. That file showed that exactly the same facts had been presented by—against Ford in '20 or '21, and that it had been examined on sixty-three different occasions, by thirty-six different officials and experts in the Bureau and that they all agreed that the taxes had been paid in full.

Well, I then proposed to prove (they knew that I was going to do), I proposed to bring the Treasury Department up and find out who—whether the particular individuals involved now, who suddenly discovered this, they said it had been brought in anew and so on.

Well, the Board of Tax Appeals came back to Washington, after a few days they announced that the case had been decided and it had been found that Mr. Couzens had not

[78]

only paid all his taxes, but that he had actually over paid his taxes by nine hundred and ninety thousand dollars, and they were sending him a check, and they sent checks to all the others.

HESS: He got some money back.

CARSON: Well, I—all I wanted to do then was to turn up the gang and show what was going on. This was only one example.

And then they came to Couzens, well, they got the … and told Couzens that a Senator David A. Reed, of Pennsylvania, head of the firm of Reed, Smith, Shaw and McClade, Mellon's firm in Pittsburgh, he came to Couzens and told Couzens that the committee wasn't going to get another cent of money, the committee was through, but he'd make an agreement with Couzens that if Couzens would agree not to make a fight, and would present a proposal of some kind to him, Reed, which Reed could accept, a compromise, to continue to do the work that the committee had done, he would see that that resolution went through, but he said, "If you don't take that, you are through."

Well, Couzens asked me, and I wrote the resolution creating the Joint Committee on Internal Revenue Taxation, which is still—the first thing my committee did, and the one thing that was very good, they had down some other

[79]

things, but not too much. The House and Senate committee, they sent a fellow down named Ches Dean, a very able guy, down in the Bureau. They took him over and they reported that every case that involved a refund case, in which a refund was more than fifty thousand dollars, would have to go through Ches Dean's hands before it would be approved.

Well, Ches Dean just retired a year or so ago, he was both a lawyer and a certified public accountant, and had been in the Bureau from the very beginning. He came to me one day and said, "Mr. Carson, that resolution that you got through," he said, "I'd say a minimum of my experience to see the cases that we sent back, case after case," he said, "I'd say that at a minimum, saved the government two million dollars with that resolution," he said, "and it stopped the fraud."

Well, we did succeed in really cleaning up the Bureau; they fired—got rid of a lot of people down there. And I have in here someplace, if I can show it to you, a manuscript of at least two hundred pages, written by an employee of the Bureau of Internal Revenue, probably the most courageous man I have known in Washington. I've known a lot of them; he was a man from St. Louis, originally, named Daniel F. Hickey. He was in one of these divisions down there at the time the frauds began, in '22, October '22, that's when the ring began to operate inside the Bureau.

[80]

And he said that the other people—fellows—in his particular section which was Section B of Consolidated Income tax, were married and had families and they couldn't fight, and he was single, alone, and he started to fight and he would get down there at 7 o'clock at the Bureau and they'd send him cases that were fraud cases and he'd take all the facts off, work all night, put the facts together, then he brought them up to my office and we went up—I was with him 2 o'clock in the morning night after night, typed all these things, and then we had them—he had them mimeographed and bound. And he never—when he got a case, for fraud, case after case, in fact the Mellon—I'll give you just an example.

The Mellon Bank, the Union Trust Company and the Union Savings Bank, and the Mellon National Bank, each firm presented a consolidated income tax return, and it was in the Bureau, and the Bureau approved it. And the day before the statute of limitations ran, the clerk in the Bureau, who in the Bureau tried a—a section head, sent a letter to this firm, to the Mellon Bank, the lawyers, they said, "You presented this consolidated tax return. A consolidated return ordinarily results in a reduction of the taxes as you know, and the companies which are losing, their losses are marked off against the profits of the other companies that are gaining and therefore, you cut the total tax down very much. In this case," they said,

[81]

"you presented a consolidated—you cannot present a consolidated, because the Banker's Trust Company and the Saving Banks are not in the same very closely related line of business, so we have reaudited your account on the separate three accounts instead of the one consolidated, and we find that you are entitled to a refund of 86 thousand dollars." Now the record showed that the affidavits had been signed after the statute of limitations had run.

So, this fellow Hickey came and took all those facts, and one day called me up. He said he wanted to make a speech in the Senate on that bill, the Mellon tax bill at that time for making all tax returns public record, and he wanted me to give him some stuff, and I went down and I gave him the Mellon case—a rundown, and he got up in the Senate and made a speech. And that was about 4:30 in the afternoon, he got it wrong, he had it wrong, he got the information twisted. And I remember I looked up in the gallery and there he was, Hickey, up in the gallery right over the clock in the gallery, and Hickey kept going like this. And I said, "Come on down."

And Dan said, "My God, Mr. Carson, here we do all this labor and Norris is trying to help us and everything else, and he gets it twisted. How in the hell can you win these fights?"

[82]

I said, "Come on over to the office," and we went over to his private office, and I said, "have you got some letterheads?"

And he said, "Yes."

I said, "Give me a couple letterheads," and I sat down and typed a letter to Norris in which I said—I commended him very highly for his wonderful fight in the public interest, but I said, "Very sorry, Senator, because you were wrong in this case. They <u>did</u> present a consolidated return and it was approved by the Bureau, and Senator Reed is entirely right when he said that if there was ever a case with a consolidated return, this is that kind of a case, it was approved by the Bureau. But thereafter, just before the limitations ran, they changed their mind suddenly, and they compelled them to file individual tax returns for three companies and thereby saved Mr. Mellon eighty-six thousand dollars," and so on.

So, he was made a copy of this and I wrote—typed this out and a copy to Senator David E. Reed and Dan Hickey signed it. And I took it down to Norris and I said, "Now show it to Dave Reed, he'll know you got this letter and some day when opportunity arises, you rise up and just read this letter, admit that you're wrong, see what Mr. Reed says."

[83]

So one day—Dan Hickey got a big kick out of that. One day Norris was making a speech on what consolidated returns—a speech on this subject, and Dave Reed ran in from the cloakroom, and he listened, he got the floor right away and he said, "Senator Norris, if ever there were three companies that should file a consolidated return, and did, it was the Mellon Nation bank, the Union Saving Bank, they filled every requirement of a consolidated return."

And Norris said, "Well, Senator, I'll have to say that I was wrong, it is true," and then he went on to tell me the facts, that now <u>Reed</u> now indicted his own law firm and Mr. Mellon by this speech.

Well, then he got the letter and Norris had the letter—well that was before Norris made his speech—that was right after Norris made his first speech, then Norris got up and talked about this again and began to read this letter from Hickey and so on and Reed was sitting there and he got up and said, "Well, I know that if the Senator from Nebraska can admit that he erred sometime, I can admit that I have," and he laughed about it. But he said, "I'll have to repeat this instance, that if there was any such action in a case of this kind, they were wrong, it should be corrected and that whoever wrote this letter to you is exactly right," and so on.

[84]

Well, I ended there, I thought Dave Reed wouldn't do anything, but I knew very well Leo Sachs, the correspondent of the Pittsburgh Press, see I went over to him at … and I said "Look here at the big story, go and ask Reed if he's going down to tell his client Mr. Andrew W. Mellon, whether he's going to pay this 86 thousand dollars back to the government." Leo was a nice guy, he went over and saw Reed and Reed said that he was going down to see Mr. Mellon at the first opportunity he could get.

And about three days later I called Leo. I said, "Have you asked Reed if he got down yet?"

He said, "No, I'll ask him today," and he went on. And reed hadn't got down, but he was going to go down, so Leo told me that he wrote the story to the Pittsburgh Press right along. He went down to Reed another day very shortly after, and Mr. Reed said he'd seen Mr. Mellon and Mr. Mellon said, "The tax case has so long been closed for so many years, that he didn't think it should be reopened, that he didn't have to pay the 86 thousand dollars.

But that was—there's all the—in the Gulf Oil case, the decision was made—you had to develop the value of something and you had to develop under what was called the Hoskil Formula. You had to find out over a period

[85]

of time what the profits would be and then you had to discount the profits back to a base, by a discount rate, to find out what the value was, and this discount rate had to be what the experience in the profession, engineering and so on, and oil, and that the same man would want if he was being asked before he would buy stock. "What do you want in the way of return?" For example Government bonds, you want about four and a half, they are now five percent, good manufacturing and real estate, you'd want about seven, that's the way the figures ran, and manufacturing industry is someplace between nine and ten and so on, these figures. In oil they had quite a fight in the Bureau because many of the engineers in the Bureau decided that because of the hazards in oil the man wouldn't go in for oil unless he had a reasonable expectation of something, 25 percent, or 20 percent, because of the losses, the hazards, and they finally agreed. The Bureau agreed that the—they compromised with the oil industry on 15 percent.

In the Gulf Oil case they fixed a something like 5 percent and then by a peculiar manipulation of figures, according to the engineers in the testimony, they got it down to about 3 and a half percent. In other words, that the same man would go in. Well, that boosted the value of the Gulf Oil stock by about 5 or 6 times what it was worth in the—net in the work of estimating the taxes by a … and the engineers for our committee

[86]

estimated that the minimum that the Gulf Oil got away with in that case was something in excess of three and a half million dollars in taxes.

Well, they went on, you could find it—Aluminum Company of America and this things, was—the record would be just filled with that thing and Mr. Hickey, I remember every time that he wrote a letter to us before he got his case, he'd send a letter to Senator Couzens, chairman of the committee, and he'd make three copies, one would go—he'd take one copy down and put on Mellon's desk, another copy to David Blair, those were his bosses, in other words, to them that I am taking an interest, show them that in this case you did what you did. They finally transferred Dan from there over to the Estate Tax Division, and two days later he wrote Couzens a letter saying, "You transferred me out of the Consolidated Deed Section over to the Estate Taxes just in time, you left the crooks on the job and took the policeman, Mr. Hickey, off the beat. You left me, but you got me over here just in time. I'm so glad you sent me over here because I've picked up the estate tax case of Charles Loren Fairbanks, the former Vice President, in which you wrote a memorandum—Mr. Blair wrote the memorandum saying that the method used in this case, to define the estate tax, should be used in this case and this case only, and thereby, you stole 86 thousand dollars.

[87]

Well, they finally fired him. They didn't—one day he had a—I was told on various evidence that in one way they had a meeting down there to throw Dan in the insane asylum to get rid of him, but he got word of it and went in and told them he'd beat the hell out of the three that were in this conspiracy….

HESS: They were going to try to get him committed?

CARSON: Yeah, in those days—well, the District Commissioner—in those days right after the war, the District Commissioner here had been a party to having something like ten or twelve, or fourteen former soldiers thrown in the insane asylum here and he became their attorney and he was getting a … ---but they didn't get him and he stayed on and finally they fired him. And Homer Cummings had become Attorney General then of the Roosevelt administration and I went to see Homer and told him about it and said, "I went to see Dan Hickey." And Homer said, "That's the kind of a guy I want in the Department of Justice," and he brought Dan over and Dan stayed there until he retired and handled law work for the—I got that—that guy just didn't hesitate, never, he didn't hesitate anybody. He took on anybody at anytime, it's a wonder they didn't kill him because—well, that was a good deal of my history and I stayed with Couzens until…

HESS: Now two positions that you held during that same time, were clerk of the committee on Education and Labor in

[88]

the U.S. Senate…

CARSON: Yes.

HESS: …and Clerk of the Committee on Interstate and Foreign Commerce in the U.S. Senate.

CARSON: Yes.

HESS: What do you recall about those two jobs?

CARSON: Well, those are the same ones. In Education and Labor Committee was a minor committee and the secretary to the chairman became the clerk, and I had made a deal with Couzens that when I went with him that I would be, in fact, a junior partner, with him, and I wasn't going to do the secretary's job, his job or anybody else's, but I would hire a secretary, and that went on. I got a very fine, a much abler young man than I to become the secretary, do the job that the ordinary secretary—the other secretary of a Senator did. I was fee to do this other stuff that I was doing too.

And so, the education, labor, you only had one chance to do something there, that was to file a resolution and investigate the cause of unemployment which was about '26. We didn't have a cent of money to hire—didn't get any pay for being a secretary. I didn't have a cent of money, but I went down and got Isador Lubin, from the Brookings Institute to come down and take charge of this committee, and make that investigation, Brookings made it for the committee. Nothing was accomplished by it. We

[89]

didn't expect that. Well, he went in—Iz finally, Isador Lubin, he later became with United Nations, I think he's still alive. Isador did do something; he tried to put in the record a showing of what profit sharing amounted to in the country. I remember he put on Ivory Soap people to show what they had done and some other people, three, four, or five corporations. That was about the only thing that was done. There was nothing, you couldn't even get the figures from the Department of Labor what unemployment was, but that had been published, so the committee had—the Interstate Commerce Committee, yes I was with that, the only thing that we really did, I wrote the first bill to create the commission on communications, and I….

HESS: This is the Federal Communications Commission?

CARSON: Yes, we had a radio commission in those days, and the Interstate Commerce Commission had charge of the international communications, and I wrote the bill to consolidate all that into one commission on communications, and since that was Senate Bill 6, Mr. Couzens introduce it. I wrote it with scissors and paste pot, clipping the other laws and rewriting a little bit here and there, but the, oh, then Couzens lost the committee, the Democrats won, and Senator [Clarence C.] Dill took over the job and finished up the job that we

[90]

had started. But that was all that there was of that.

Now, I stayed with Couzens until he died, and then I decided that I wanted to get back into writing and I was without a job three or four months. I found that I was accused of being a Communist that was conspiring Couzens, all these attacks on the system and…

HESS: Who accused you?

CARSON: Huh?

HESS: Who accused you?

CARSON: Oh, I was told whenever I went anyplace to get a job, didn't—but when I made inquiries I was told that there wasn't a job to be had. Nobody—I thought that with all of the experience I had around the Senate—I don't think there is anybody been around the Senate in those days that had as many personal friends that I had, and you know in those days, I don't know what it is now, but Senator and a newspaperman up there on the same level, they don't talk to each other or down, they all—the fellows that have been experiencing that way, they'd deal with John and Pat and so on.

So, in fact, I remember Arthur Sims of the New York News, he always insisted on his paper paying him at least $5,000 dollars more a year than any Senator, and got it. He let all the

Senators know about it, "I'm making more than you're making," so it was common. And the Senators and

[91]

Congressmen know that the fellow who's fair and tries to play a good game, that he's—he has as much power and influence as a Senator does. Well, I didn't get anyplace with that and about six months later—no it wasn't six months—three months later, Max Lowenthal came to see me one day and asked me if I—Truman had come in—no Truman hadn't gotten there at that time, but Max asked me if I would take a job as a member of the Interstate Commerce Commission, and I said, "No," I wouldn't take a job, I wasn't going to take a little job in Government, I wanted to get back to writing and I had positive insurance, I won't state the facts now, but I had positive insurance that I would be rich enough that I could write the rest of my days, and I was waiting on that I wanted to get to writing, but the only place I'd take a job I said was the Federal Trade Commission. Because the Federal Trade Commission, undoubtedly that law was written, introduced by Woodrow Wilson, of course, but it was written by Justice [Louis D.] Brandeis and Justice Brandeis was the second greatest of all the men I've known in public life. First was George Norris, by long odds, second was Brandeis, and third was probably Congressman Davie Lewis of Western Maryland, and so on, and Bob LaFollette. But Brandeis had invited me into his friendship and I knew what he had done, what he tried to get—he didn't get what he wanted, but he was Wilson's—

[92]

one of Wilson's closest advisers, he and Norman Hapgood you know.

HESS: What kind of a commission did Justice Brandeis want?

CARSON: Well, he was undoubtedly—see he had the big cases, the railroad cases, in 19—oh, 18—I guess it was 1920 about, the big railroad cases, he alone in the public service, without any fee. He fought the lawyers or their banks, the trust companies, the Morgans, the railroads and everything else, oh, over a period of a year or more. They are one of the biggest railroad rate cases, and golly the abuse that he took. They put—he didn't—he gave it as a contribution, he didn't quit them until he beat them. But he told me later that he had learned in that case that you couldn't win anything in those things before, about the only thing you could do was stop, close the door after the horses were stolen, that you couldn't do too much. So he wasn't too happy about it.

And then in 1904 I think it was, Roosevelt, Theodore Roosevelt was President, right after he became President they created a commission on corporations in the Bureau—in the—

commission on corporations in what was the Department of Commerce, yeah, and that Bureau was given the job of publishing tax and about corporations profits investments and so on.

And then in 1907 about, I think it was, the

[93]

famous Tennessee coal and iron case came up where U.S. Steel wanted to buy Tennessee coal and iron, and the Department of Justice—the Bureau of Corporations—presented all the facts against it, and the Department of Justice had held against it, but—and the newspapers said at that time that what happened was Morgan, J.P. Morgan, went to Mr. Theodore Roosevelt and said that, "Unless you see that this is permitted, we'll act to stop the money market," and you know in 1907 we had a money panic that lasted over a good part of a year I guess. You couldn't get any paper money at that time as I recall. All the money I remember at the Van Camp Packing Company then we made up the payroll on Saturday, and the nine dollars that they got, 15 cents an hour, ten hours a day, a dollar and a half, nine dollars a week, ordinarily before the money panic it was a five dollars and four dollars in silver that they put in the envelopes in the morning. The group, the accounting office made it up and I was one of the group, but when the panic started you couldn't get bills at all, you just had to put 5 silver dollars in, there was no currency, no paper currency. That was the money panic, and that continued until Roosevelt permitted steel.

Well at that time Mr. Brandeis didn't tell me what I had now assumed. I assumed—I <u>know</u> that immediately he lost his esteem for Theodore Roosevelt and I know—you

[94]

know in the—then he and Norman Hapgood became the counsel for Lou Bladis in the famous Secretary of Interior Case, the famous Ballenger case, and I know that he was—he said one day that he had decided after that experience, and they also, Morgan insisted that they kill off the Bureau of Corporations, and they did. So Brandeis said that he—the Bureau of Corporations had done a magnificent job, so the Taft crowd, President Taft crowd, they introduced a bill to—they got rid of it anyhow, but they silenced it. But when Wilson came in, Wilson introduced a bill to create the commission, but I can't prove what—that is what I can't prove—I know what—I'm sure what happened, Brandeis wanted—he had conceived a commission which would be an independent commission subject to the Commerce first, whose only concern would be the development of facts, and the publishing of facts. And now Happy is a great guy, he and Brandeis were great friends, and I'm sure that Happy said to Brandeis, "Now look, you're never going to get this thing through the Congress because the Congress just doesn't want too much of facts published," and so on and so on. But I have got—president of <u>Colliers</u> at that time had been carrying on a crusade against the patent medicine trust, and they had the whole country marching behind Colliers, and Happy said, "Look, I've got this, now let's

[95]

create a bureau, a Pure Food and Drug Bureau and so on, but if you'll throw your bill in and provide—listen to me on this, and provide for action on this pure food and drug, stop the advertising on this, the whole country will insist on this being passed and they'll have to take the whole damn thing with it!" So, I'm sure that Mr. Brandeis said, "Well, damn it, if that's what we'll have to do, that's what we'll have to do," and the commission went through.

I think if he had had his way the commission would have been a fact finding commission with authority to present cases to the Department of Justice.

HESS: Less than a regulatory commission?

CARSON: Yes, trial before—not a regulatory commission except the public information. Mr. Brandeis believed that a solution of all our problems was in education, publicity of facts.

HESS: Educate the public.

CARSON: Educate the public.

Well, he said that—oh, let's see. I thought I could quote some of the things that he said. I remember one thing that I always think about, he said, "The welfare of democracy is dependent on restraints from within, not without, and it's therefore, within the province of the church and the church had better be about its business."

[96]

So, that's one thing he said, but I think he was intent upon finding it—well, I always remember, I went down to—Mrs. Carson and I went down one of these Sunday afternoon teas and he came over right away and took Mrs. Carson to Mrs. Brandeis and he took me over, he had three young lawyers here and three here, and a fireplace there, and two seats here. He introduced me to the young lawyers and he and I sat down. He said, "Now Mr. Carson, I want to listen—you want to listen to these wonderful young lawyers tell you about the law."

And when he sat down one of the lawyers said, "Well, Mr. Justice, we are talking about the importance of knowing the law," and they talked back and forth about the importance of knowing the law in this case and so on. Finally the Justice rose up and said—he had to go over and meet somebody who had just came in, Al Barker had just came in and I was going with him—he said, "Well, I would have to say to you young men that in all the cases I won, in all the cases, or most of the cases as a practicing attorney, three-fourths of the cases, three-fourths of the decisions I made from the bench were not made because of my knowledge of law, they were made because of my knowledge of facts." And with that he walked away.

So, I think that's what he wanted. And when now that comes to Mr. Truman—when they came to me to—I did—Norris finally came to me, said he had been down

[97]

to see Roosevelt and he wanted Roosevelt to appoint me as head of the REA, administrator of Rural Electrification Administration, but Roosevelt had already given that appointment to Harry Slattery, but Roosevelt wanted to know if I would take the job as secretary of the Maritime Commission, with the understanding that the first vacancy I would be made a commissioner. And I said "No."

Norris said, "Well, I want you to take it John. Joe Kennedy is going to be chairman, but I want you to take it because you just can't stay idle here waiting for what you want to do. We need to get into this fight again, so on, so on. So I want you, as a personal favor, I want you to take it, go on the commission then and find what you want."

So I took it and then I—I hated the job, but Joe Kennedy was a very fine guy to work with.

HESS: What kind of a man is Joe Kennedy—was Joe Kennedy?

CARSON: Joe Kennedy, I'd say to you if I was going in business, I'd just as soon be with Joe Kennedy as anybody I've known in business. Now that doesn't mean that I admire the Joe Kennedy type any more than I admire the General Motors type or the rest of the types, and so on, but Joe Kennedy was as far as I knew I never saw anything wrong, and he was a speculator, yes, sure, a big business operator and so on, but I saw nothing in him that was questionable at all.

[98]

Now he isn't the kind of a guy I would want for President or anything else, but he was that kind of a guy.

Well, he came out one afternoon—well Tommy Corcoran came over, Tom—my office used to be the office which cleared things on the Hill for Roosevelt, and Tom Corcoran had been Ben's lawyer—I'll think of his name. And Tommy and Ben—Ben was the man in my office.

HESS: Ben Cohen.

CARSON: Ben Cohen. Ben and Tommy were in my office but that comes down to the Truman case too.

Well, anyhow, Tom came over to the Maritime Commission and said, "John, they've just got to get the appointments made for the commissioners on—bituminous coal commission, and for the Consumer's Council up there, and we've had a meeting over in the President this afternoon of and all agreed unanimously that you're the one guy that has to take the consumer's council job, and there you will be your own boss with your own section. You'll be a higher job than the commission itself, you'll be the only member of the commission that is subject to the Congress, no appointments or anything else by the executive department and they can't fire you, and therefore, you ought to go."

And I refused to go, and Joe Kennedy came out after Tom left and sat up on the radiator and told me he was leaving the Maritime Commission and he said, "You don't

want to stay on this job and I'm not going to stay, and in this job you'll be your own boss, and have your own organization and so on, and I think you ought to take it."

And I said, "Well, if I do, I'll go home and talk to Mrs. Carson," and I came home and we took it, and I stayed with the commission until I found that John Lewis and his crowd and the operators were just refusing to comply with the law at all, and was there about 18 months, and they had threatened <u>me</u> very much. And finally Roosevelt called me over one day and said (I was told), "Roosevelt had seen the chairman of the commission one afternoon, a fellow named Hosford, and Hosford came out and a fellow for the A&P asked him what he was doing and he told him, and this A&P man that knew something about the commission said, "What is Carson going to do?" I knew the A&P man.

Hosford said, "Oh, Mr. Roosevelt's going to take care of Mr. Carson."

So the A&P man called me and said, "John, you're going to be in before Mr. Franklin D. Roosevelt, because you're going to be called in and told what you have to do, what you are going to do?"

And I said, "Well, the law provides for a hearing, finding the facts, reckon the case, appeal the record in the case, it's impressive. Unless that's in the—

[100]

commission agrees to hold hearings, find the facts, I'm going to do anything I can to get it in the court to see that the consumer's people's rights are protected, that's what I'm obligated by my oath of office to do."

So, I went in to see Mr. Roosevelt, I'll always remember Lynn Glavis, this famous fellow of the Alger case, he and I were pals, great guy Glavis. And Lynn Glavis who knew Franklin very well said, "John, I reckon you're through," he said, "you know what Mr. Roosevelt's going to say, 'Now let's talk about this coal case. You know when I was in Albany,' then he's going to give you a line, and then the next chance he has to say anything, 'Well, when I was here,' then he's going to suddenly say, 'Well, that's not good enough, see somebody else, Mr. Carson. Well, you run along and do what I tell you and so on.' And you're not going to—he's going to tell you, you're not going to get a chance to say I won't or will, that's what he did to me."

So went in—he did call me, I went to see Mr. Roosevelt, and he said, "Oh, yes, Mr. Carson," he said, "now about this coal situation, what's wrong with this proposal of the commission?"

I said, "Because they are proposing to violate the law, and I won't violate the law." Gee, that—the room became frozen.

[101]

He said, "What's wrong with what they propose to do?"

And I said, "They are violating the law."

He said, "What law?"

I said, "Section 2-A."

"What is Section 2-A?"

I said, "Section 2-A says any act subject to appeal has to be finding in fact of record of public hearing."

He said, "Haven't they had any public hearings?"

I said, "None at all, nothing."

And he looked at me for a minute and he said, “Well, I can’t keep up with everything. That’s okay.”

I got up and I said, “Mr. Roosevelt, you’ve got Ben Cohen out here as one of your lawyers, ask Ben Cohen—ask Ben Cohen to talk with me and talk with them and tell you about this. I don’t want you to take my word unless you want to take it, but I’m not going to stand for this myself.”

And he said, “That’s fine, go out and see Ben.”

So I went out to see Ben and told Ben the whole story. And Ben called in the commissioner’s lawyers and they talked, and when I went back to Ben later asked Ben what the President said, I said, “Doesn’t Mr. Roosevelt understand what my situation—that I was right?”

[102]

He said, “Of course, he knows you’re right, of course he knows you’re right.”

So then they abolished the commission and abolished me, because Mr. Ickes and I have never got along very well.

HESS: Was John L. Lewis a very difficult man to operate with?

CARSON: Yes, oh terrible. Yeah, he and I—I knew him a bit in Indianapolis. You know the headquarters of the mining workers was Indianapolis and I was a newspaperman out there, I knew his predecessor, and after he…

HESS: Are the headquarters still out there?

CARSON: No, it’s Washington now.

HESS: Yeah, that’s what I thought.

CARSON: They were in Indianapolis then, but John Lewis hired a fellow named Ellis Farrow who was a newspaperman in the Indianapolis News and Ellis Farrow was a very good friend of mine and I kept in pretty close touch with him, and I never—I only had seen John once. Once I went up to see Sam Gompers when I was a newspaperman on a Saturday, about something. Nobody else in the headquarters of the AFL but Gompers that morning. And as I started in the door a fellow came through the door—this was away back in ’22 or someplace thereabouts,

[103]

someone came through the door anyway, and Gompers said to me, “You know who that is?”

I said, “No.”

“That’s John L. Lewis,” he said, “He’s the only one in the AFL that we can use to put the heat on old Jim Watson and the guard Republican.”

So I knew Lewis was a fixer for the Republican Party through that. Well, I didn’t have much use for Mr. Lewis, but I didn’t have—I had only one fight with him, and I don’t know whether this is—we ought to touch it—well, I’ll tell it to you very quickly.

The commission had three public members, two public members, two mine—two labor representatives and two mine representatives, they had six. The two labor representatives were a fellow named Percy Hosford, I think, and a fellow named John S. Lewis or something like that, Shadey Lewis, a relative of—from Iowa. Well, one day, the public member, a fellow from Indiana, I knew him by name, he’s all right. He didn’t know anything about coal, and he never been down here, but he was all right. But one day he called me and asked if I could come over to his office. He said, “Hosford and Lewis are over here, I want to talk with you,” this public member. And I went over, Perc—his first name

[104]

was Perc something. No it wasn’t—can’t think of the name—anyhow, he said, “John”—no, Hosford said—Mr. Hosford who was a commissioner said, “John, or Mr. Carson—Mr. Carson,” he talked with a very pronounced—he’s a one-armed fellow that we looked on as being the educational link with the wineries. He said, “Mr. Carson, as you will recall, you were before the commission and at that time, just a few days ago, you were before the commission and told the commission that you hoped that they would ask for and get your cooperation in arranging for hearings on this question of prices that we’ve got to fix, minimum prices on coal.”

And I said, “Yes.”

And he said, “Well, now I want to tell you Mr. Carson, that you are not going to get a hearing, you were promised a hearing, but you are not going to get a hearing. I’m going to tell you today that the commissioner’s lawyers are now studying the case so that they can get an opinion for the chairman of the commission, Mr. Hosford, in which they are saying there is no need for hearings, that will not be a violation of the law, that they have authority and prices are going to be fixed without a hearing and you're going to yell." He said, "What are you going to do Mr. Carson about this?"

[105]

And I said, "Mr. Hosford, I'm on record, publically, that if you people don't have a hearing over there, I'm going to find any way I can get in the courts to get an injunction against your prices."

And he said, "Well, you won't have to do that, there'll be a strong minority opinion in this case here in which Mr. Lewis and I will denounce the action of the commission, so we will be with you all the way on that."

I went out and about three days later, this public member from Terre Haute called me and I went to lunch with him and he said, "John, I'm up against it, the Lewis lawyers, the lawyers for the commission, all of them agree now that they can do what they proposed to do about the hearing to fix prices and you're just going to have to take it. They are going to cut prices, now I'm a public member, I know nothing about coal, and I know nothing about law, but if my lawyers, and all the lawyers tell me they can do it, I've got to go along, John." He said, "I want to support you, but I can't support you any longer." But both Hosford and Lewis who <u>promised</u> him, who instigated this whole fabulous law.

He said, "You know you're going to be alone."

I said, "Well, I'll be alone." So I went out and they fixed the prices, and that's when Hosford went to see Franklin Roosevelt, they fixed them.

[106]

So I called the railroads, officials of the National Association of Railroads, their representative came over to see me and I said, "You have insisted—and they had—in demanding these hearings, and now I can't get into court unless I get in through the Attorney General, the Solicitor and he can't take me into court because he has to be Solicitor also to that case for the commission. So I've been down to see Bob Jackson."

The Solicitor said, "Will you appoint my lawyer as a deputy so he can go in and represent me—I can't have—you can't represent one side of the table—the commission against me and me against the commission."

Bob Jackson looked at me and laughed and said, "That's the funniest thing to say now, but it's right." I'll think about it but he wouldn't give me an appointment so I couldn't get into court.

So I told the railroads, and said, "Now, you can't get before the commission, on this unless I introduce you, but if you'll go over before the commission I'll introduce you. I'll go over and help you apply for an injunction." They wouldn't do anything.

And then I called cities. The city of New York had been very active in supporting me and the city of Atlanta had been, and the city of Cleveland had been, <u>very</u> active in demanding public hearings, and so I called them one after another. They were all enthusiastic,

[107]

the coal men off the street, or the city purchasing agent, and then a half hour later they called me back, and said, "Mr. Carson, sorry but we are not going to come in, we are not going to take on this case, don't have to get coal, don't buy our coat, it's going to go along with your loads."

And then one day a fellow that ran the Indiana Gas and Chemical Company out in Terre Haute, I didn't know him, I knew his family or something, but I didn't know him. He came in one morning, and he said, "Mr. Carson, I don't know what you're going to do about this coal situation, but I'm ready to act."

And I said, "Well, you want to present an appeal for an application for an injuction before the court, I will support you."

He said, "Well, I'd want you for my first witness."

I said, "You'll have me as your first witness, but," I said, "Mr. , I want to tell you something. You have to have high volatile, and low volatile coal to get your gas, and you're supplying the gas to at least six or seven cities according to that case you have, the record over there, you're going to get into trouble with Mr. Lewis' coal companies are going to refuse you coal because you can't buy gas or make gas for the cities. I want you to know what you're up against."

[108]

And he said, "Well, don't say anything about it until I get ready. But I'll—I'm sure I'll go in. I'll take my chances."

Well, John L. Lewis came—I called John L. Lewis one night and said, "I want to have a conference one afternoon."

He said, "Come over at 4 o'clock."

I went over at 4 o'clock, he was there, Hosford and this other guy were there, the lawyers for him and others were there, and John L. Lewis was, and I took along my young attorney, who was attorney for my Consumer's Council.

And John L. Lewis said, "Now, Mr. Carson, what about this case, what do you want?"

I told him the case and so on and so on and when he got to a certain point and he asked something about the law, and I said, "Well, my attorney from the Cooperative League and Consumer's Council—I can answer it Mr. Lewis, but," I said, "the attorney from Consumer's Council is here, Mr. Coe, let him answer that."

Then Coe got up and talked what the law provided and so on, and Lewis suddenly stopped him. He said—poured it on him, and he said, "Mr. Coe, I understand that you at the Consumer's Council, while at Consumer's Council, that you are going into court for the poor little consumers, the railroads, the poor little consumers,

the steel corporations, the poor little consumers, you're going into court all the United States Steel," and so forth, he named four, five of the big corporations.

I said, "Now, wait a minute, Mr. Lewis," so I sort of picked up it's time for me to answer Mr. Coe. I said, "We have not been in court for the attorneys for the steel company, we have not been in court for the attorneys for the railroad companies. We have not been in court for the DuPonts, we have not been in for the other buyer you mentioned, because we have our difficulties getting into court. We can't get into court, Solicitor General won't give us anybody to represent us in court, we have no way to get into court." So, I said, "I've been asking the Solicitor General to let me find some way to appoint a deputy, some way for us to get in court, can't get into court." But I said, "If I get into court, and they've got a case, I <u>will</u> be representing steel, and I <u>will</u> be representing the railroads, and I will be representing the DuPonts, or any other consumer that calls, Mr. Lewis I want you to know that."

He said, "Well, that ends this conference then Mr. Carson."

I said, "It ends it as far as I'm concerned," he said—they got on a—John L. moved over by the door and stood here and they all moved by and shook hands as they went out, and when I came, he pulled me aside, he shook hands and pulled me aside, let the others go through, and he said—looked at me and smiled, said, "I think we're going to see a lot of each other, Mr. Carson."

And I said, "I'll see you anytime, Mr. Lewis," and shook his hand and went out.

And this Mr. Odum came in and went before the court, got a hearing and called me as a witness, the first witness. I'd only got through about half of my testimony, oh, it was only testimony of about fifteen minutes. The judge said, "I don't think there's any necessity for hearing another bit of this testimony Mr. Carson, and I want to say to you people, Mr.   that your application for an injunction is granted and any other consumer in coal that want to file application for an injunction, it's going to be granted now, without a hearing."

And with that I walked out of court and with that the commission was practically abolished and so on, and was finished—the finished stuff they transferred it over to the interior Department and Mr. Ickes and I could never get along, so I resigned.

HESS: Where did you go after that?"

CARSON: Well, then during the coal cases, this fellow E.R. Bowman of the Cooperative League, who had been a big

[111]

businessman and resigned from business and gave his time, most of his time and some money, not much, but mostly he gave time to the Cooperative League and Consumer's Council. He had been in several times to get me to see that the consumer cooperatives would have an opportunity—would be heard by the coal, would be heard to become parties to the buying as the retail dealers were. And I assured him that there would be. And then one day he came in and asked me to check on three people that want—told me they were going to open an office in Washington, check on three people, because I had been here so long and knew everybody, and I checked and I said, "One of them is fairly good, but the other two are not."

He said, "How would you like to become representative of the Cooperative League here?"

And I said, "What will it pay?"

And he said, "Well, it will pay $6,000 a year minimum I think."

Well I said, "Mr. Cohen, or Mr. Bowman, I can't do that," I said, "the last job I had with the Senate paid $15,500 and then I cut back to $10,000 with Consumer's Council because Norris wanted me to take that Maritime job. I want to write—I'm going to get out and write, I can't cut back to $6,000 overnight. I've got commitments to my family."

[112]

And he said he understood that, but he came back a couple of days later and he said, "Did you think anything more about that?"

I said, "Well, I'm not interested."

Well, then I began to think about it I think seriously, and I knew I had to get a job or begin writing right away, and make me some money, and then Sid Hillman had become the head of the National War Labor Board and two of his—Iz Lubin and Max Bramblin, who were—well, Max Bramblin was a lawyer for Amalgamated Clothing and Banks, as was Max Lowenthal. They owned a firm, Lowenthal & Bramblin. Well, they came in to see me and asked me to go with them, didn't tell me where, and I said, "Okay."

And I went with them and they took a taxi and went down to Sid Hillman's office, and they—yeah, I knew Sid, I didn't know him well, but I knew him. They said, that Sid said he wanted me to come in as assistant on the War Labor Board, $10,000 a year, and I didn't want to go to the War Labor Board, and I had to lie. I said, "I can't come."

They said, "why not?"

And I said, "I've already made a commitment with Bowman of the Cooperative League to go on the Cooperative League."

He said, "I know Bowman, I'll get him on the phone, you're going to come down here."

[113]

And I said, "No, I've made that commitment, you can get him on the phone, but I've already made that commitment. You won't get him today, because he isn't in Chicago now, and I don't know where he is on the road, but you can.."

He said, "You're coming down here, I'll see that—I'll get a hold of Bowman."

So I went out and ran to a phone to call Bowman and said, “Sid Hillman’s calling you. Now I don’t want to go down there. Now you tell him that I have made a commitment and now I am making a commitment that I’ll go with you. You tell him the commitment is made.”

Well, I went out there and finally took the job with the League at $3900 a year and sacrificed a lot along, had to give up our home and everything, but I spent a year there until I went with Truman and I didn’t want to go with—the first time when they came to me, Max came to me to take the job the first time—well, the first one that Max Lowenthal came to me on was when what’s his name resigned, the fellow that was on the Federal Trade Commission, resigned and I got that fellow the job when the the Republicans came in. Well, he resigned and Max and Elvin Miller, who to talk to Truman and Truman wanted me to take the nomination for the commission. Well I said, “I don’t want it.”

[114]

Max said, “Well, you said one time on the Hill that this was the one job you’d take.”

I said, “I know, but I don’t want the job now, I want to write. I’m going to stay here until I get to writing.”

And they said, “Well, will you ask the two Senators from Michigan if they will approve your nomination to the committee?”

And I said, “They’ll approve it I’m sure.”

So they said, “We’ll be back.”

So, I went to New York immediately so they just couldn’t see me. I didn’t want to say no finally, and I didn’t want to say yes, because I didn’t want the job.

Well, anyhow, I got out and just suddenly decided he would take the renomination and reappointment and he filed this away and he took it—the job was closed off by staying with the League. And he stayed there three years and then he resigned.

HESS: Who was that?

CARSON: Oh, I knew his—now on the commission, a Republican member, he had been on there at one time.

HESS: Oh, Garland S. Ferguson.

CARSON: No

HESS: Edwin L. Davis?

[115]

CARSON: No. I forget the fellow's name.

HESS: Well, we'll pick it up before we get through. We just have a little bit more tape, I'd like to task one question today.

CARSON: I'll finish that one. Oh, then three days later—not three days—three years later Max came over and said, "You've got to take this job."

And I said, "Okay."

I came home and Mrs. Carson said, "You take it, so I took the job and that's how I came to go with Truman and sat on the commission.

HESS: Okay, fine. Now that will be what we will discuss next time, but just to wind up today, as you know, out at the Library we have the collection of the papers of the League of—Cooperative League of the United States, we have quite a lengthy group of collection.

CARSON: Yeah, I think my assistant Wally Campbell sent those out.

HESS: That's right, from '36 to '49 are the years for that and we have some files of Wallace J. Campbell and the dates on those are '39 to '60. Just what are one or two highlights, you can see just how much tape we've got here, just what are one or two highlights of the years that you spent with the Cooperative League?

CARSON: Well, I think the most important thing in the Cooperative League, CARE started in my office.

[116]

HESS: Is that right?

CARSON: Yes. The Cooperative League, I instead of fighting the League, or the ones that appointed me, I'd better fight the League to call a international conference on cooperatives here.

We started selling something far bigger than is justified. But anyhow, we called the conference and the conference finally—I got them to give me authority to get an appointment with—Crawford was over with UNRRA, United Nations Relief and Rehabilitation Administration, UNRRA, in which Lubin was director, and I went over to get Lubin to give me the job, the place. And he wouldn't give it to me, and then I—the British Lord somebody, who was the British representative, he called me and said that he would appoint anybody he sent over to me his representative. And I tried to get Nels Cruikshank, who was with the AFL for years after, I think he was a former Methodist minister, a very able guy and a very fine guy. I went to Nels and Nels said, "John, coming up to see you, I have just accepted a job over in AF of L."

Well, then I got on a fellow, a professor out of Maryland University, named Lincoln Clark to take the job and Linc was around with Lubin for a few days and then I had to do another thing for the League, I had to get approval for—under the war labor situation—for any group that was soliciting funds to be sent abroad, and

[117]

we—creating a freedom fund to help cooperatives abroad. So I went over to see two fellows that were representing the State Department in that and one of them I think the main fellow was Bruno and Ridgway, something like that, they had a little office up on 15th Street and I went up and told them what I was after and they were a little bit hesitant for a while, I thought they were. And I said, "Now, Joe Davies is the chairman of your commission."

And they said, "Yes."

And I said, "Well, tell him that John Carson has been here, Joe Davies is one of my good personal friends, what I want, and you can give it to me."

And then Bruno said, "Mr. Carson, we'll give you that, we weren't hesitating on that," but he said, "I was with the Hoover Commission on banker's commission, it did some good but that was about all." He said, "Mr. Ridgway and I have been noticing the meeting your cooperatives—this conference that you've organized, I was wondering if we couldn't organize a sort of peoples to peoples organization."

And I said, "Surely, surely." I didn't know whether we could or not, but I had sold him on cooperatives and I went back and later Clark said that he had to leave the job with Lubin, because they didn't have a thing for him to do.

[118]

And I said, "Yes, you have. Go over and see Bruno and Ridgway." And he went over there and relief started in and from that on—but that was nothing at all. We built the—then became CARE. Linc was the name, his wife named CARE, the Cooperative American Relief to Europe and his wife named it, and Murray Lincoln of the League, Cooperative League, a good friend of mine, but he later became chairman, he ran out on me twice while we were struggling to get that. Wally Campbell, who was kind of an assistant to me, Linc Clark called him from New York one day and said, "John…Wally Brandon, New York office. If we can't get Wally Campbell, get into this thing, will you get Bowman in Chicago to get on Campbell's neck and so on and so on?"

I talked to Bowman about it, I don't know what he did then to help, but he did give us help on, really Linc did it alone, and I had two or three fights, one with—two fights with Murray Lincoln before I got Murray Lincoln to go along. But Lincoln stayed with it and got it, and incidentally, there is one thing more that I should say. One time they called me and said the CIO is in, Israel is in, somebody else is in, Egypt and so on, they were all going to put up 35 thousand dollars in capital each one of these groups. The CIO will come in if you can

get the AFL and I am told that if you can get the Bishop someplace in the Catholic Church to come in thousands will come in and so on.

So, I sat down, I didn't know the head of the church up in New York, the Monsignor up there, but I got his name. The name was Monsignor Patrick A. O'Boyle and I sat down and wrote him a two-page letter argument for the case. You know he not only gave them 35 thousand dollars to invest in it, but he gave them the help of a young man named George Miles, a professor, to go along with Linc Clark and so on. That's Bishop O'Boyle. I suppose that what he—I don't know him. I went to see him once on something else, and I told him I…

HESS: Did he recall?

CARSON: No, he didn't recall. That's the way CARE got started.

Well, that was the one thing that I was particularly interested in, but the second thing was just as much important. I started another conference on small business and so on on economics and we had a hearing on that and the end of it I went up and got Wright-Pattman to appoint a conference on monopoly, anti-monopoly conference, and had it—I gave him the names, and he wrote the—I wrote the letter, he sent it out, he signed it, and they got—they had one organization meeting and then Truman appointed me and I had to step out of it. Wally went in for me.

Well, I was on the commission and along came the tremendous fight on the basing point bill, and our commission, Federal Trade Commission, was right. We went in and fought. But one day I called Murphy down in Truman's office and said, "Mr. Murphy is there anything I can do in this situation?"

And he said, "John, if you can do anything at all, do it." He said, "You know it's passed the Senate and it has passed the House with a good majority, but Mr. Truman's friends are in here even putting the heat on him to sign this bill." He said, "I think he doesn't want to sign it, but I don't see how he can avoid it. I can't see…"

HESS: Mr. Charles Murphy?

CARSON: Yes.

I can't say what he'll do, but I think he doesn't want to—if you can do anything, do it."

So, I immediately called an anti-monopoly conference and we got a fellow with the Farmer's Union, the head of the Farmer's Union here, Angus MacDonald, and said to Angus, "Get a conference over with Truman and take your gang over there and tell him that you fellows will

fight to the finish for this." And so on.

And they got it the next day, they went over to see Truman in the afternoon and they had quite a show there the Farmer's Union, the machinists, I don't know how many more they had a group of them, public power, the RAA, public power, and so on, they had the whole group. And Mr. Truman the next day released those bills.

HESS: That's right.

CARSON: So, I don't know whether we did it, but at least we….

HESS: Had a hand at it.

CARSON: Anyway, we were in it. Well, that was the two things that happened on the commission while I was there, but the commission and the other things, but the most important I failed on was the idea of getting the economic division to do what I wanted to do. I think if we had done that we'd have gone a long way to preventing inflation if we could do—we'd have stopped these arbitrary demands for prices and profits and so on, and so on, that's gone on since.

So, that was the only things that I did while there. Oh, I had the cases, I fought Standard Oil of New Jersey case—or Indiana case, and—for the retail dealers, and I—that's the one that Steve Spingarn was handling, that

[122]

one, but his lawyer handled—Steve brought in what the lawyer wrote and I fought it and we won. We got Steve to throw his lawyer's decision on that case, but we went—our lawyers went to court, they lost it in the court, but I couldn't see how they lost it, they fought the sparkplug case the same way, and they put all the pressure on us. We won it all the way down the line, we got up to the court, the court threw it out. The commission has—it shouldn't be what it is, it's wholly—I'm going to do something on this later, but you're in an utterly impossible position. Here you are appointed to a commission; its job is to fight this tremendous enemy, monopoly. Well, you've got to fight to bring it to time to investigate it, to bring the indictment. You've got to really become militant in the thing really, and then you're supposed to go in and take off your coat and sit back and become a judge.

Well you….

HESS: After first becoming the prosecutor and then you have to become the judge.

CARSON: You're the investigator, the prosecutor and then you step back and be the judge. Well, the result is more than once in the early days when I was on the commission, somebody would come in and say, some of the lawyers would come in and say, "Commissioner Carson,

[123]

all right, you may disagree, but you want to remember when you're doing this, that you later sit on this case, you're going to be a judge, you better not be saying these things, or doing these things." Well, it just won't work, and the commission has done some great things, but…

HESS: Okay, fine. Let's not get too far into what we want to discuss about the commission today, we'll put that off until next time, all right?

CARSON: Yeah.

HESS: We're just abut down to the end of this tape.

CARSON: Well, call me when . . .

HESS: We’re just about down to the end of this tape.

CARSON: Well, call me when…

Index