

# Jesse Jones:

## A Conversation about "Mr. Houston"

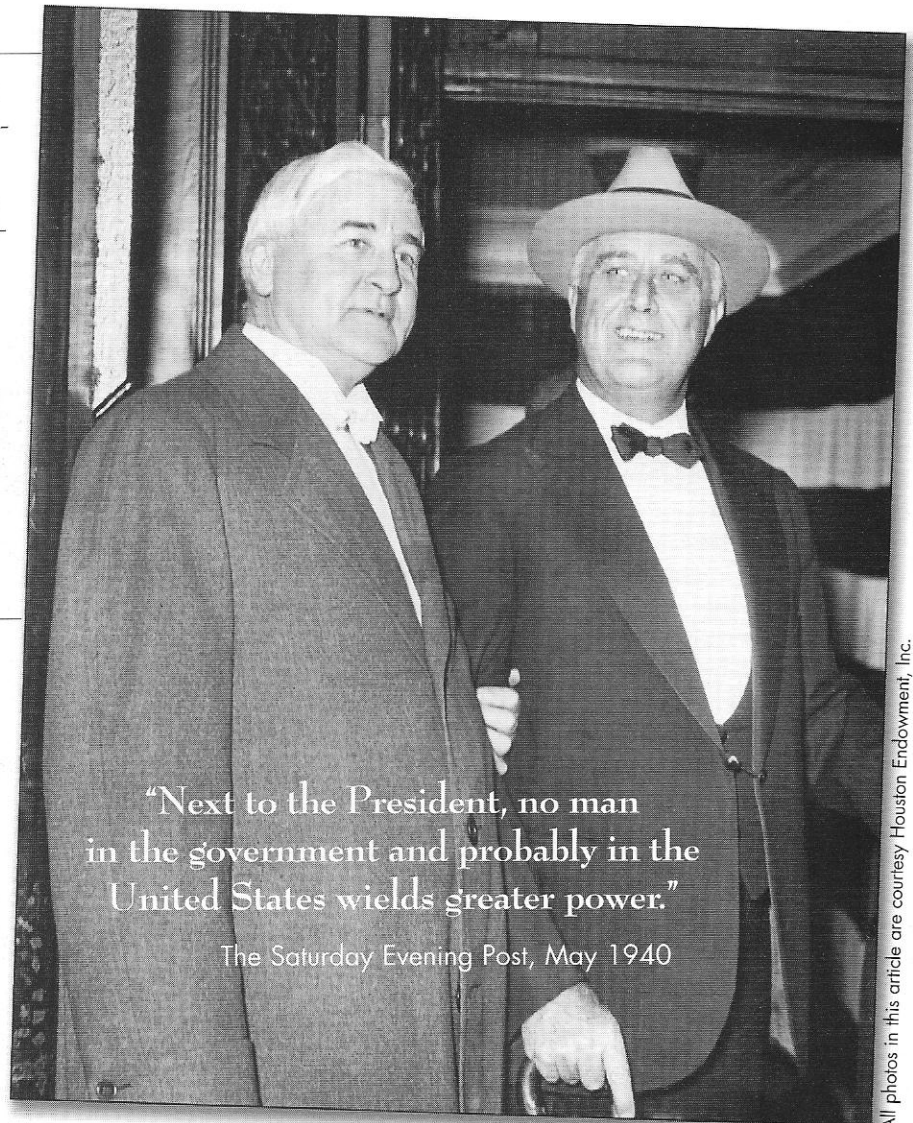
Steven Fenberg is community affairs officer at Houston Endowment Inc., a philanthropic foundation established by Mr. and Mrs. Jesse H. Jones. After assembling an archive, conducting an oral history project, and producing a permanent exhibit about the Joneses for the foundation, Mr. Fenberg wrote and was executive producer of the Emmy award-winning PBS documentary, *Brother, Can You Spare a Billion? The Story of Jesse H. Jones*. Mr. Fenberg is currently working on a biography about Jesse Jones.

Joseph Pratt sat down with Mr. Fenberg to talk about the film, his years of research, and the man in question—Jesse Jones.

*JP: Steven, let's start with the basic question: What do you see as special about Jesse Jones? Then we can talk about how you came to study him.*

*SF: As chairman of the federal government's Reconstruction Finance Corporation during the Great Depression, Jesse Jones established massive agencies to combat the catastrophe. While helping millions of citizens and thousands of businesses he made money for the federal government during one of the nation's most disastrous events. His accomplishments have great relevance today, and I wanted to learn how he did what he did, why he was so successful, and what could be applied to today's pressing issues.*

I first discovered Jones' forgotten role in history while I was assembling his archives at Houston Endowment, the philanthropic foundation he established with his wife, Mary, in 1937. I began working at the foundation in 1992 on the annual report, and I was supposed to be there for just



*Jesse Jones with President Roosevelt in 1939.*

*"Next to the President, no man in the government and probably in the United States wields greater power."*

*The Saturday Evening Post, May 1940*

three months. At that time, the foundation was in the process of moving from the Bankers Mortgage Building, which Mr. Jones had originally built in 1908 for the Texas Company. Most of Mr. Jones' business and personal papers had been stored in boxes and safes in the building, and they had never been

organized or preserved until the foundation's new president, Joe Nelson, and grant officer Ann Hamilton, realized how important they were. After I completed the annual report, I was asked if I would like to assemble an archive with architectural historian Barrie Scardino. I quickly agreed and often found myself sitting alone on

All photos in this article are courtesy Houston Endowment, Inc.

the fifth floor, where Mr. Jones' office used to be, unfolding these amazing documents, reading them and discovering just who Jesse Jones was.

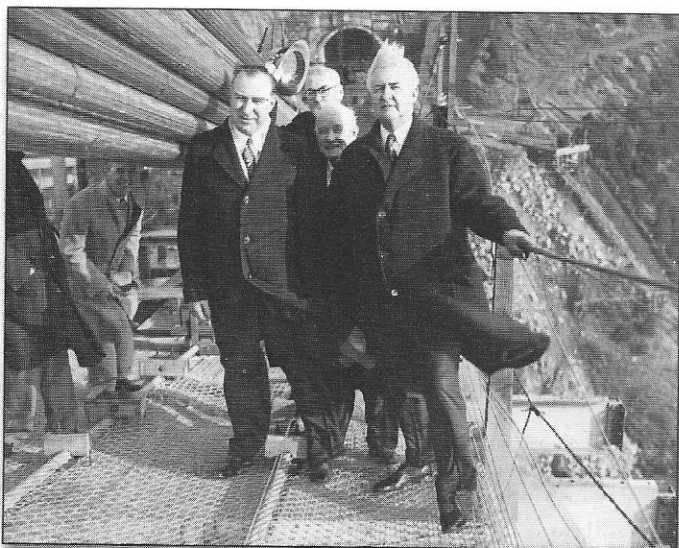
That's when I started to realize the magnitude of his contributions both locally and nationally, that he was instrumental in saving capitalism during the Great Depression and in militarizing industry in time to fight and win World War II. I also began to see how he embodied the best of capitalism as I noticed how he used the economic system not just to increase his personal wealth but to also consciously and simultaneously improve the common good.

*JP:* At the RFC, Jones put to work for the government the banker's skills he had learned in Houston. He had the responsibility of picking which companies were worth saving and which were not. Many who lived in Houston in the 1930s recall that he was particularly good to Houstonians. Do you see any evidence that Houstonians had a friend at the RFC?

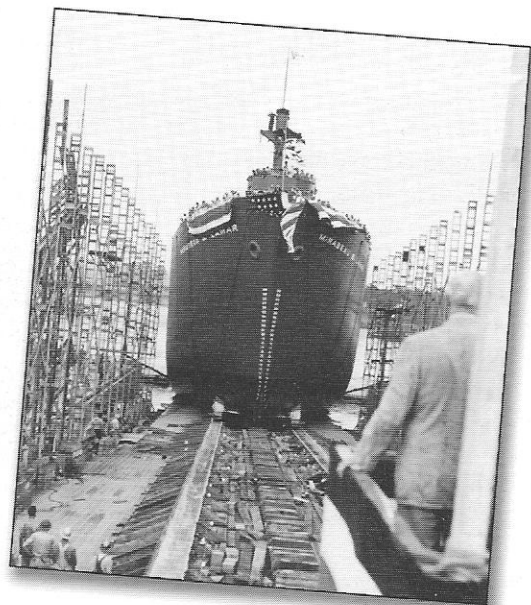
*SF:* Houston did have a friend in Washington, D.C. But I can't say that other places were neglected because he had an allegiance to Houston. He distributed RFC funds to every congressional district in the United States and, as a result, congressmen were beholden to Jesse Jones. Most citizens appreciated his efforts,



Jesse Jones built (clockwise from the top left) the Bristol Hotel, The original Texas Company Building, and the Houston Chronicle Building between 1907 and 1909. At ten floors, they were Houston's tallest buildings.



During the Great Depression, Jones and the RFC reopened closed banks, saved farms, homes, and businesses and built, dams, aqueducts, and bridges throughout the United States. In 1936, Jones visited and inspected the new San Francisco Bay Bridge.



Jesse Jones launching the "Mirabeau B. Lamar," Houston Shipbuilding Company, 1942. Jones and the RFC placed many shipyards and chemical plants along the Texas Gulf Coast to help build Roosevelt's "Arsenal of Democracy."

whether he and the RFC were saving banks in Detroit, paying teachers in Chicago, or bringing electricity to remote farms in Appalachia.

Even so, his government service clearly had a great impact on Houston, especially during World War II. The petrochemical industry is a great example. He located many plants in the area during World War II, most notably to manufacture butadiene and synthetic rubber, an industry the RFC developed from the lab to preempt the almost certain loss to the Japanese of the natural rubber supplies in the Pacific. Maybe he chose those sites because he was a Houstonian and knew that the Gulf Coast was the safest and most logical location because of the proximity to the petroleum industry and to international shipping facilities. I don't think that he favored Houston for any selfish motive or overlooked other places because he wanted to give Houston or his interests the upper hand. I've never seen any evidence of that.

The scope of Jones' roles during the Great Depression and World War II is unprecedented, especially for an unelected, appointed official. Congress never once turned down his request for an RFC appropria-



Before Jones took the microphone for a national radio broadcast, Vice President John Nance Garner introduced him saying, "He [Jones] has allocated and loaned more money to various institutions and enterprises than any other man in the history of the world."

and let them do their work. In the midst of dealing with the national economic and social meltdown, Jones also served as chairman of the Texas Centennial Commission, which was created in 1926 to celebrate the 1936 centennial of

smaller monuments throughout Texas that commemorate significant battles and events.

- JP: *Help me remember. Was the San Jacinto Monument a Works Progress Administration (WPA) project?*
- SF: The monument cost about \$1.5 million, of which \$300,000 came from the State of Texas, \$400,000 from the \$3 million appropriated by Congress for the celebration of the Texas Centennial, a small amount came from the City of Houston, and the balance came from the Public Works Administration (PWA) and the WPA. President Roosevelt went to the battlefield with Mr. Jones prior to the selection of the site and approved the expenditures for the monument.

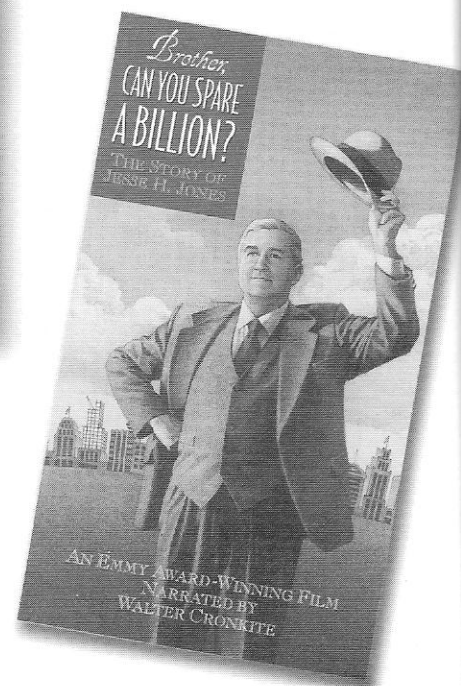
JP: *So, Jones attracted your interest, and you have spent more than a decade of your life learning more about him?*

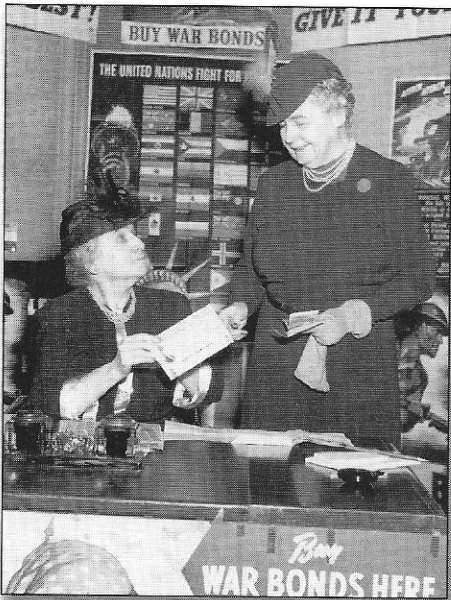
- SF: As I began assembling the archive, I realized people were still around who knew Mr. Jones, so I proposed and initiated an oral history project at about the time the foundation was moving from the Bankers Mortgage Building into its new offices in the Chase Tower. Provisions had been made in the new offices for an exhibit about Mr. Jones, so I also began to extract interesting materials from the archive as I was assembling it. I ended up curating and producing the foundation's exhibit and doing the oral history project. I collected approximately 45 interviews, and some of



tion, and he created and ran dozens of agencies, some of which exist today, including Fannie Mae and the Export-Import Bank. He was able to do so much because he was decisive, he knew how to delegate, and he was trusted. He picked the best people he could find to do the job

Texas's independence from Mexico. The San Jacinto Monument is probably the most apparent result of his efforts. He designed the monument and decided where it should go. In addition to the San Jacinto Monument and parts of Fair Park in Dallas, the commission placed





Edith Wilson and Mary Gibbs Jones Selling War Bonds during World War II.

those I spoke with have already passed away, including Harris Masterson, Stanley Marcus, and Harvey Wheeler, who broadcast the 1928 Democratic convention in Houston from the roof of the Rice Hotel for KPRC.

It became apparent through these efforts that there was real interest in Mr. Jones and that his place in history deserved to be remembered. I thought a documentary film would reach the most people because, if done right, it would be seen by students in schools and by millions of people on TV. Houston Endowment's board agreed to fund the project through KUHT-TV, and I served as executive producer and writer. I developed a script and Eric Stange, who I had hired as producer and director, helped put it into television language. The end result was *Brother, Can You Spare a Billion: The Story of Jesse H. Jones*. I'm pleased to say it was broadcast nationally on PBS.

In addition to having the honor of preserving and presenting information about Mr. Jones, I am also community affairs officer for Houston Endowment. I write and produce the foundation's annual report, maintain its Web site, respond to media inquiries, assist grant recipients with press releases, and provide appropriate parties with exhibition materials. In other words, I haven't devoted the last dozen years solely to Mr. Jones, because I've also had the privilege

of reporting about the wonderful activities of the philanthropic foundation he established. Houston Endowment is a prime example of Jones' use of capitalism to improve the common good and is one of his most shining legacies.

JP: Let's talk some about the process of making that film. You say you had to "put it in television language" for PBS. How difficult was that to do?

SF: The greatest challenge was telling Mr. Jones' monumental story in 55 minutes. We had to decide which stories to tell and which ones to leave out. For instance, The Woodrow Wilsons and the Joneses were extremely close friends. Edith Wilson and Mrs. Jones played bridge and studied Spanish together. Because there were no pensions for ex-presidents, Mr. Jones and three other men provided a pension for President Wilson after he left office, but there was no time to mention any of that. After President Wilson's death in 1924, Edith Wilson accompanied the Joneses to most major political events.

As far as putting it into what I would call "TV language," that means writing brief, active sentences that move the film forward and make viewers want to stay tuned to see what happens next.

JP: What about the visual part? How do you find photographs and motion pictures?

SF: The motion pictures are in archives throughout the United States and, unless they are in the public domain, they are very expensive to use. They charge by the second! Surprisingly, as prominent as Jones was during the Great Depression and World War II, he didn't show up in very much film. Even though he enjoyed mostly positive coverage in newspapers and in all of the major magazines, I wondered if he was purposely trying to stay out of Roosevelt's limelight. Did he want to avoid annoying Roosevelt? Jones and Roosevelt had a very tenuous relationship, probably because Jones was considered by many to be, next to Roosevelt, the most powerful person in the United States. The *Saturday Evening Post*, *Fortune*, and *Time* all ran laudatory cover stories on him. After the RFC was granted a large appropriation in 1934, *Time* reported, "As is the case of all governmental authority under the New Deal, RFC's new potency naturally fell into President Roosevelt's strong grip. But everyone believed that the President would continue to delegate RFC's power of life & death over U.S. finance and industry to one man, and one man alone." FDR delegated that unprecedented power to Jones



Walter Cronkite with Fenberg. Cronkite, who lived in Houston in the 1930s, narrated *Brother, Can You Spare a Billion? The Story of Jesse H. Jones*.



According to Jones, "The Rice Hotel was...a bold and somewhat doubtful venture at the time. Fortunately it was built far ahead of the demand both in capacity and quality, and is a modern hotel today."

throughout his four terms, even though he sometimes called him "Jesus Jones" behind his back.

JP: Did you have recordings of Jones' voice to work with?

SF: Some of his speeches were recorded on aluminum disks. They are so authentically from his time. Thick graphite needles and turntables are required to hear them. I had them transcribed to tape, and all the crackling and scratching noises from the aluminum record going around is very apparent. His voice is a little thin, but he's quite expressive. We were able to find some film with sound, and the scenes are a bit hokey. But again, they are so real and of the time. In one part of the film he invites the Democratic Party to hold its national convention in Houston, and he says, "There will be no east. There will be no west. There will be no south. There will be no north. It will be one for all and all for one in 1928 for the Democrats." I loved that. I thought it was so folksy and real. At first Eric [Stange, Producer] thought it was awkward and did not want to use it. But I prevailed in this instance. Jones wasn't a polished perfect person. He was sophisticated, to

be sure. But he was also warm and human. He wasn't trained as an orator, and he was a bit stiff, but he did a very nice job with what he had.

JP: How did you convince Walter Cronkite to narrate?

SF: I was so pleased that he agreed to participate. He liked the script and the story and agreed to be a part of the project. We filmed the introduction in his office, and as the camera started to roll I enjoyed a sublime moment when I realized Walter Cronkite was saying what I wrote! After filming the introduction, we went to a recording studio and he read the script almost without stopping from beginning to end. His assistant told us, "You know, his nickname is One Take Walter." I asked what that meant, and she told me, "He is so good, he does everything in one take." And she was right. He did the entire film in one take and only changed one word. He changed "kids" to "children."

JP: He has such a great voice. It almost carries the show!

SF: I think it is so appropriate that somebody with Walter Cronkite's stature narrated this story. Besides, he grew up in Houston and really knew about Jesse Jones.

JP: In my opinion, you did better than most have done in dealing with one problem with television documentaries, the use of one "talking head" after another.

SF: I hired nationally-known producer Eric Stange because his films always have a little something extra about them. The Jones film, for the most part, is a conventional documentary but it does have a couple of unusual features. For example, at first I preferred not to use dramatic recreations because I was concerned about credibility. Eric suggested that I think of them more as "evocations." I agreed, and they worked very well, especially Jones' niece's search for meaningful information about her uncle and the evocation of the 1931 Houston bank rescue, where Jones prevents the city's banks from failing during the Great Depression.

When it came to the interviews, I asked Eric to please avoid placing someone in an easy chair next to a table and a lamp because it seems that interviews are staged that way in almost all documentaries.

I suggested that we place some kind of large iconic photograph with the speaker, so that he or she is seen in some kind of relevant context. So he

back lit these large, evocative images and placed them behind the person being interviewed. We had about a dozen of them made and always had great fun debating about which ones to use. I think they were very effective.

*JP: How was the response to the film?*

SF: The response was so great that PBS aired it nationally as a freestanding film instead of including it as part of a series. I am also proud to say that it won many first place awards, including a regional Emmy for best documentary and a Gold Apple from the National Educational Media Network.

*JP: Do you still distribute it to high school teachers?*

SF: It's available on many school districts' television networks and is frequently shown on the local PBS and municipal channels. We also developed a teacher's guide because the film is a great way to teach about aspects of both world wars and the Great Depression. In addition, each branch of the Houston Public Library has at least one copy, and a section of the PBS Web site is dedicated to the film.

*JP: Instead of making other documentaries, you have decided to write a biography of Jones. How does that differ from the task of making the film?*

SF: In a book I can include more of the interesting details and relationships that couldn't fit into the film. I can develop and show more fully how Jones used capitalism to enhance the common good, both locally and nationally. But writing the book will be more difficult because now I have more room to tell his story, which means, in order to get my arms around the material, I have to stay very focused on themes and my intentions.

*JP: Another thing you can do more fully in the book is examine Jones' relationship to his adopted city, Houston.*

SF: Jones nurtured a reciprocal relationship with Houston. He developed his businesses during a time when most of the primary industries—banks, newspapers, insurance companies—were locally owned, and he understood he would prosper only if his community thrived. For instance, Jones and others knew Houston's

growth was limited without access to the sea. So he raised Houston's half of the funds to build the channel in one of the federal government's first public/private partnerships, and he was the Houston Harbor Chairman for the first three years after the channel's opening. He had also built buildings in anticipation of its opening—including the Rice Hotel—and once the channel was in operation, his hotels, office buildings, and movie theaters were filled to capacity. Houston was internationalized almost overnight and the economy of the entire southwest region improved. Houston flourished and so did Jesse Jones.

*JP: He wouldn't have been more than 40 years old then.*

SF: That's right. He was chairman of the Houston Harbor Board from 1914 until 1917 when Woodrow Wilson finally convinced him to come to Washington to serve in his administration. His role in World War I, as director general of military relief for the American Red Cross, elevated Jones from a local leader to a player on the national and international stages.

After his uncle M.T. Jones died, Jones came to Houston in 1898 as one of his executors. M.T. Jones had been one of the state's most successful lumbermen. He owned tens of thou-

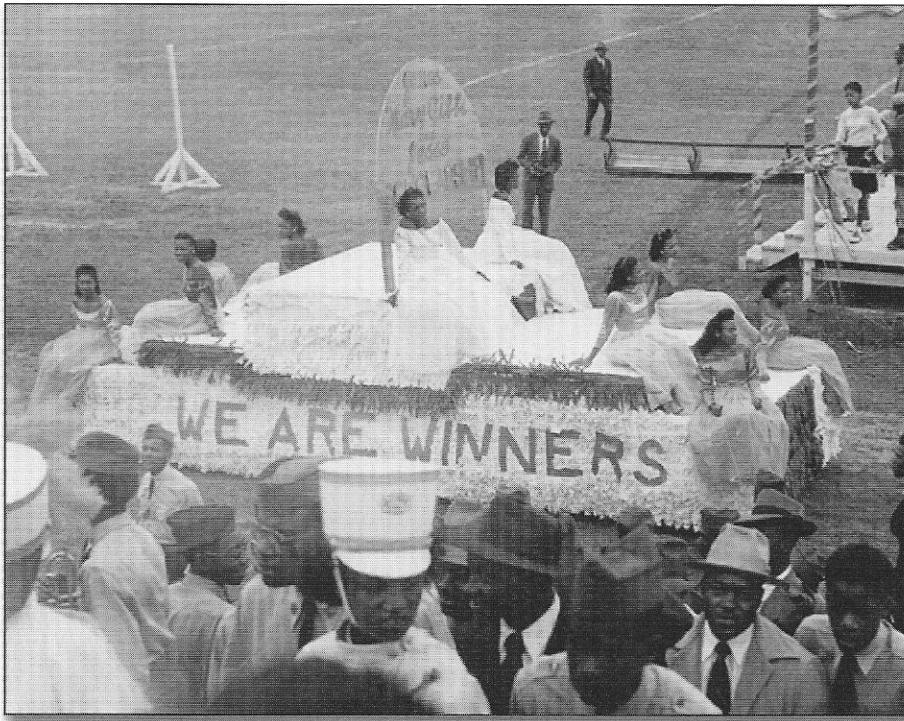
sands of acres of east Texas timberland, sawmills in Orange, and retail outlets throughout the state to sell the finished products. Back then he was known as "double-ender." Today we'd call him "vertically integrated."

Jesse, who was 24 at the time, had been managing M.T.'s yard on St. Paul Street, which is now in the heart of downtown Dallas. When he arrived in Houston he set up an office in the 6-floor Binz Building, then the tallest building in town, and lived across the street at the Rice Hotel. As an executor of M.T. Jones' estate, he had landed in the midst of Houston's civic aristocracy and at the top of the lumber industry. With cotton flowing in from the west, lumber pouring in from the east, and Spindletop about to erupt, Jones had arrived in a boom town.

I think he quickly realized that Houston had potential. Within a few years, he acquired quite a few of his own lumber yards and began building small houses south of downtown, which he sold on unique installment plans. Within ten years of his arrival he was building the city's tallest buildings, including the Texas Company Building, which helped make the petroleum industry a permanent part of Houston's business community, and the *Houston Chronicle* building, which brought



*Interior of the Metropolitan Theater, 1930s*



Homecoming float built by the first Prairie View A&M Jones scholarship recipients, 1946

him a half-interest in the paper.

After he returned from World War I, he began the most ambitious phase of his building career and filled up Main Street with the city's most ornate movie theaters, its tallest office buildings, and its grandest hotels. He also built four of Fort Worth's tallest buildings and a dozen skyscrapers in mid-town Manhattan, many of which still stand.

JP: How would you characterize his relationship to the other Houston, the black Houston that at the time was a growing community but segregated under law?

SF: I interviewed August Waites, one of Mr. Jones' drivers. He told me about driving Mr. Jones to the San Jacinto Inn in the 1940s for a meeting. Neither of the men had had lunch and they were both hungry. Mr. Jones said to August, "Come on in and have lunch." August replied, "Well, Mr. Jones, you know, I can't go in there. They won't allow me." And with that, Mr. Jones arranged for August to sit in the center of the restaurant at a table of his own.

After Mr. Jones returned from Washington D.C. in 1946, he and his wife, Mary, began to focus on philanthropy. They established large scholarship programs for men and women

in colleges and universities throughout the state and included a \$50,000 program at Prairie View A&M. Mr. Jones also served on the board of the United Negro College Fund and was a Tuskegee Institute trustee. On the other hand, he didn't have blacks on his boards or in executive positions, so I'd say he was a person at least a little ahead of his time.

JP: How would you describe his relationship to the 8F crowd of Herman and George Brown and others?

SF: Mr. Jones' nephew, John T. Jones, Jr., told me that Mr. Jones didn't participate in 8F. The suite was in the Lamar Hotel, which Mr. Jones owned. He lived in the penthouse, on the 16th floor, and John Jones told me if the 8F crowd wanted to see Mr. Jones they went up to see him. He didn't come down to see them. He was the venerated, elder statesman and was treated as such.

JP: There is not much historical speculation about Jones' role in electoral politics. Was he a big supporter of candidates at the local, state, or national levels?

SF: He was very involved with the Democratic Party almost all of his life. He once said his father was a Democrat, so as a kid he guessed he was one too. But his affiliation went

much deeper than that. Woodrow Wilson's progressive policies ignited Jones' enthusiasm and admiration, and the florid correspondence between them is both touching and interesting. Jones became the national committee's finance chairman in 1924 and in 1928 persuaded the Democratic Party to bring its national convention to Houston.

Jones endorsed Roosevelt in all of his bids for the presidency, but there was a bit of controversy over the fourth term. George Butler, who was married to one of Jones' nieces, was part of a group called the Texas Regulars, who opposed Roosevelt's reelection. I don't think Roosevelt was ever sure if Jones was with them or not. Jones claimed that he wasn't, even though after he left Washington in 1946 he said he thought the Democrats had been in power too long. I think that may have had something to do with his bitterness over being very casually replaced as Secretary of Commerce in 1945 by his arch-rival, Henry Wallace.

Jones was touted by many for vice president in 1940, and Eleanor Roosevelt and one of her sons both said they would endorse him if he decided to run. When Roosevelt made it clear he preferred Henry Wallace, Jones withdrew his name from consideration.

JP: Well, you sound like you've had a good time working on your various Jones-related projects, including the archives, the oral history, the film, and now the biography. What part have you enjoyed the most?

SF: I can't say I enjoyed one project more than the other because they've each been unique, challenging, and very fulfilling. What I enjoyed most was discovering that Jesse Jones, a mythic figure in Texas, succeeded by using capitalism to improve the common good for everyone, not just a few. That somehow gives me hope. ■