

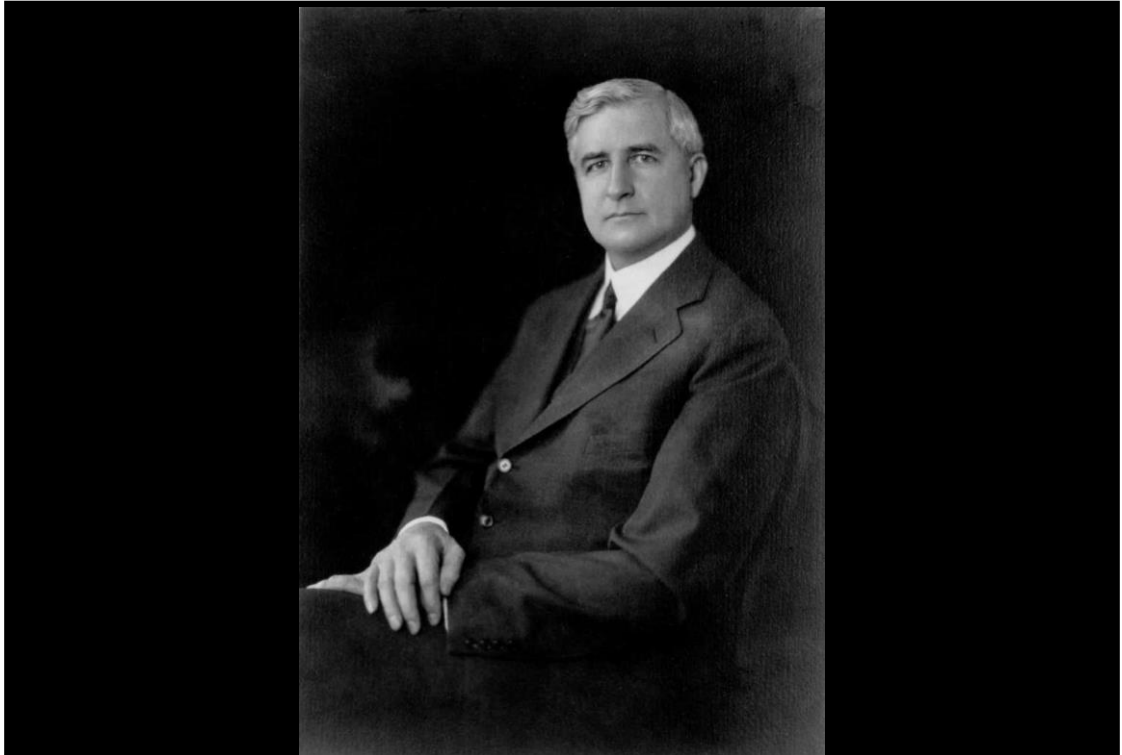
## [LIFESTYLE](#)

# Jesse Jones is the subject of a new biography from Houston author

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Jesse H. Jones is the subject of a new biography by Houston author Steven Fenberg.

Determined to visit the [Chicago World's Fair](#) in 1893, [Jesse Holman Jones](#) figured a way to finance the trip *and* keep his tobacco fields tended.

Jones, just 19, mortgaged the crop for \$60. He spent \$10 on a round-trip railway ticket from Tennessee and had another \$10 sewn into the waistband of his breeches - for emergencies. Then he promised the farmhands he'd share details of his big city adventure if they'd just look after the tobacco.

Jones was as good as his word, returning with \$10 still stitched into his waistband and stories to tell. But the life-changing visit to a bold, busy city had planted new ideas in his head.

The ambitious young man with an eighth-grade education soon sold his crop and headed to Texas. Over the coming decades, Jones would build up the Houston skyline, pump federal money into the economy during the Great Depression and World War II, and appear on the cover of [Time magazine](#) - twice.

"Jesse Jones negotiated and delegated," says [Steven Fenberg](#), author of the new book, *Unprecedented Power: Jesse Jones, Capitalism, and the Common Good* "That's how he operated on the farm, and that's how he was able to operate businesses on a grand scale."

Jones had a knack for making money and helping people at the same time. That's what piqued Fenberg's interest.

"In those days, everything was locally owned: newspapers, banks, insurance companies," says Fenberg, community affairs officer for [Houston Endowment](#), which Jones founded. "Business and civic leaders knew their own success was linked directly to the health of their community, so they worked simultaneously to build their businesses and the community."

Was Jones a socialist, as his harshest critics claimed? No, Fenberg insists.

## More Information

### ***JESSE HOLMAN JONES***

1874 - Born in Robertson County, Tenn.

1898 - Arrives in Houston.

1902 - Forms South Texas Lumber Co.

- 1908 - Becomes half-partner in the Houston Chronicle in exchange for building the newspaper a 10-story office building on the corner of Travis St. and Texas Ave.; acquires other half in 1926
- 1912 - Breaks ground on the new Rice Hotel.
- 1914 - Houston Ship Channel opens; Jones raises Houston's portion of the funds.
- 1917 - Moves to Washington D.C. to lead a World War I branch of the American Red Cross.
- 1920 - Marries Mary Gibbs Jones.
- 1924 - Becomes finance chairman of the Democratic National Committee.
- 1928 - Brings the Democratic National Convention to Houston.
- 1931 - Gathers Houston leaders to save the region's banks.
- 1932 - Appointed to bipartisan Reconstruction Finance Corporation, which made government loans to banks, insurance companies and railroads.
- 1933 - President Roosevelt makes Jones chairman of RFC and expands agency's power.
- 1937 - Establishes Houston Endowment.
- 1939 - Put in charge of Federal Loan Administration, which has more clout than the RFC.
- 1940 - Jones appointed Secretary of Commerce and Fortune Magazine calls Jones and RFC the "fourth branch of government."
- 1945 - FDR dismisses Jones from Commerce post.

1947 - Leaves Washington, D.C. and returns to Houston to focus on philanthropy.

1956 - Dies at age 82.

"He was a capitalist using every tool he could. He wanted government to provide the catalyst for development, then he'd step back to let the private sector sink or swim. Whether it was the Houston Ship Channel or the making of synthetic rubber or helping returning GIs start businesses, he saw a positive role for government but understood that it had its limits."

[Bill Glick](#), dean of the [Jones Graduate School of Business](#) at [Rice University](#), puts it another way: "Jones' approach was not about handouts as much as 'let's invest in somebody and let's get a payback.' "

## *Building Houston*

Jones formed his first business, the [South Texas Lumber Co.](#), in Houston.

At 6 feet 3 inches tall, with his bright blue eyes set into a square face, the young man cut a striking figure.

"He built houses south of downtown, offering installment loans for people to buy them, and he built commercial buildings - the Rice Hotel we know today, the [Texaco](#) and Gulf buildings - for the emerging petroleum industry," says Fenberg, whose own parents operated a department store in a Jesse Jones building at Capitol and Travis streets.

In exchange for a partnership in the [Houston Chronicle](#), Jones erected a 10-story office building on the corner of Travis Street and Texas Avenue. Skylines in Fort Worth, Dallas and New York also made room for his structures.

Jones' pragmatism shone through in these projects. Many were created so they could be added onto - vertically - later.

"He didn't overbuild," notes [Jim Parsons](#), director of special projects at the [Greater Houston Preservation Alliance](#), "and he had an uncanny sense of what to do and when to do it. If you imagine standing on Main Street in 1950, every big building you saw would be a Jesse Jones building."

Some of his structures still are standing, Parsons adds, but many were torn down, including the Lamar Hotel, where Jones lived, and two Art Deco movie theaters: [Loews State Theater](#) and the Metropolitan.

## *Businessman*

By 1912, Jones was president of Houston's [National Bank of Commerce](#). He raised part of the money to dredge and widen the Houston Ship Channel, a joint project with the federal government that brought the world to Houston - and vice versa - when it opened in 1914.

"You can't get large groups to collaborate and move forward together unless you're very pragmatic and there for the common good," Glick observes.

Impressed with Jones' ability to get things done, President [Woodrow Wilson](#) tapped him to lead a branch of the [American Red Cross](#) in 1917.

And then, at age 46, Jones added husband to his list of accomplishments.

Mary Gibbs Jones was married to Will Jones, Jesse's cousin, for years, but the two were woefully incompatible. She had known Jesse since the 1890s, when she and Will lived with him and other extended family members in a huge house on Main and Anita streets.

"According to [Audrey Beck](#), their granddaughter, that's when sparks started to fly," Fenberg says.

Gibbs Jones wrote letters to Jesse Jones that were frank in her admiration and honest about her desire to see him.

In 1919, Mary Gibbs Jones finally got a divorce. A year later, she married Jesse Jones. The family never spoke of that first marriage, and the new [Joneses](#) were happily married for the rest of their lives.

## *The national stage*

Politicians didn't always plan conventions years ahead of time. After Jesse Jones convinced [Democrats](#) that Houston should host the 1928 [Democratic National Convention](#), he built a six-acre convention hall - where the [Hobby Center for Performing Arts](#) now sits - in just 64 days. The convention was broadcast widely over the radio, pushing Jones and Houston into the national spotlight.

Humorist [Will Rogers](#), one of Jones' closest friends, even attended. But when Jones' name was tossed around as a possible candidate for president and vice-president, at least one prominent Houstonian balked.

[W.C. Hogg](#), whose father was the state's first Texas-born governor, "wrote a hot letter asking how the party could name someone like Jones, whom he considered to be a pirate," Fenberg explains. "Jones was a fierce competitor when it came to business and cards, and for that he was often criticized."

Jones didn't pursue political office, but politicians kept pursuing him. After he gathered Houston leaders to save the region's banks during the Depression, President [Herbert Hoover](#) appointed him to the [Reconstruction Finance](#) Corp., a bipartisan agency that would funnel government money into the struggling economy.

Jesse and Mary Gibbs Jones moved to Washington, D.C.

## *Helping people, making money*

The RFC under Hoover was too timid for Jones. It wasn't until Roosevelt took office and made him RFC chairman that the agency flexed its muscles, becoming the world's largest corporation and bank.

"Saving homes, farms and businesses, building infrastructure, he did all this and made money for the feds doing it," Fenberg explains. "The banks had stopped lending, and Jones knew that credit had to flow for the frozen wheels of the economy to turn again. He knew there were good loans to be made, and the RFC made them when the banks would not."

As the war in Europe spread, Roosevelt needed to build the country's military capabilities. He turned again to Jones, putting him in charge of the [Federal Loan Administration](#), which gave him jurisdiction over all federal loans. When Roosevelt picked Jones for Secretary of Commerce in 1940, Jones held the two posts at the same time - an unheard of situation that required a special act of Congress.

This is the "unprecedented power" of Fenberg's book title.

"At this point, Jones shifted from domestic economics to global defense," Fenberg explains. "Synthetic rubber, planes, tanks, guns, ammunition, all were produced on U.S. assembly lines."

For the first time in his career, Jones was met with hostility. Critics said he had too much to do and was ramping up the war effort too slowly. [Eugene Meyer](#), an old acquaintance and owner of the Washington Post, ran a scathing editorial that accused Jones of hiding behind the president. Furious, Jones accosted Meyer at the Willard Hotel, lifting him up by the lapels of his jacket.

When Roosevelt began his fourth term in 1945, Harry Truman became the new vice president. Roosevelt gave outgoing vice president [Henry Wallace](#) his choice of cabinet positions as a consolation prize; Wallace

chose Secretary of Commerce. Roosevelt wrote to Jones, thanking him for his years of government service. It was a bitter blow for Jones. In 1947, he returned to Houston for good.

## *Helping people, making money*

Back home, Jesse and Mary Gibbs Jones focused on philanthropy, creating scholarships for men, women and minorities.

To formalize their giving, they had already started Houston Endowment in 1937, which has donated more than \$1.5 billion to the community to date.

Jones transferred his businesses and buildings to the foundation in the 1940s. In the '50s, the couple gave \$1 million to the University of Houston, \$1 million to Rice University and large sums to the medical center.

By the time Jesse Jones died in 1956, at age 82, he had sent more than 500 kids to college.

"He set a tone of philanthropy in the city," Glick notes. "If you're a civic leader in Houston, what do you do? You follow in Jesse Jones' footsteps."

Today, Jones' name appears on too many Houston buildings to name, though in his lifetime he never put his name on anything he built, Parsons says.

The entrepreneur, politician and philanthropist brought Texas to the nation, playing host and forging allegiances beyond the lines of north and south. He appreciated the positive role of government and understood it could be a catalytic force for progress.

"Today, as we grapple with the role of government and economic recovery, the story of Jesse Jones remains relevant," Fenberg says.