

Interview with H.Y. Price Jr.

Interviewer: Gay James

Transcriber: Gay James

Date of Interview: October 8, 1985

Location: 200 South Guadalupe Street, San Marcos, TX

Begin Tape 1, Side 1

Gay James: This is Gay James. I'm going to be interviewing Mr. H.Y. Price on October 8, 1985, at 200 South Guadalupe in San Marcos, Texas. Mr. H.Y. Price was the owner of San Marcos Telephone Company from 1949 until late 1970s when he retired. I'd like for you to start off with just a brief history and how you came to this area with your family and an overview of how you got into the telephone company service itself.

H.Y. Price Jr.: Okay, I might correct that statement right there. I was president of the company, chairman of the board during the periods you talked about there. I'm not sure exactly what year it was. Of course, I'm still on the board of directors, I still have the same ownership that I had. I've turned over about two-thirds of the company to my children, and Jim Pendergast has about 125 shares. We've made Jim President of the company. It's a family company.

I was born in Evant, Texas, July 14, 1906. My father and mother had taught school for a number of years, and my father had quit teaching to start the telephone business in that area. There were no telephones anywhere in the country at that time in that area. He was the first one to bring telephone service to a number of small communities in Comal County, Hamilton County, Mills County, and Lampasas County. Evant was in the corner of these four counties, and so I was born into the family business. I grew up working in the telephone business. I did everything that a small telephone company has to do, from stringing telephone lines, digging post holes, keeping the books, running switchboard and whatnot, which was good training. After I got out of college, I worked on a newspaper there when I stayed in Lubbock for three years and did not intend to go into the telephone business. My mother never liked the business; she tried to bring up all her sons to turn their direction in another direction. But this was the [Great] Depression while I was working on the _____ (?) *Journal*. The wages were low, and there were no promotions because everybody was frozen to their job, afraid to turn loose. I tried buying a weekly newspaper at Colorado City with very little money, and it was in financial difficulties, and I wasn't able to pull it out so I went into public relations work.

At the time I came to San Marcos, I was executive director of the Rural Electric Power Association in Mississippi. I went there in a public relations capacity. Started a newspaper that was basically a house organ. It had 90,000 circulation when I came back to Texas. I monitored legislation and Congress in the Mississippi legislation on behalf of the Rural Electric Power Association. I had been active in politics in Texas, in various campaigns. As some of my friends

wanted me back in Texas on that account. Before I went to Mississippi, I did some publicity work for the Rural Electric Power Association of Texas; at that time, they called it the Texas Power Reserve. I wrote a series of articles for the *Dallas News*, and George Haggard, who was executive director of the Texas Electric Power Association, went to Washington [D.C.] as deputy administrator of REA under Claude Wicker. George came by Jackson, Mississippi, and was fussing at me for getting ommissive(?) in staying and wanted me back in Texas. I told him I had cut loose from Texas and had a pretty good situation in Mississippi. George said that he would find something in Texas that would get me back. So, when he came back to Austin, he read in the paper where the San Marcos Telephone Company was in a bad situation. He remembered that I grew up in a telephone family. He contacted a lawyer and arranged for some financing and called me and wanted me to come to Texas to look at it. So I did, after long negotiations. Basically, the negotiations were carried on by Charlie Herring, the lawyer in Austin. While I was in Mississippi, I had Heaven Hamilton of Chicago come down to make an appraisal of the plant. I gave Charlie a figure to start with and what he would offer and the top where he could stop. Charlie called me one night and told me he had bought me a telephone company. He had arrived at a price halfway in-between the bottom and the top. So, my wife was pretty unhappy about my getting into the venture. I didn't think it was a very good deal, but I came back to Texas and we had lots of problems here. I pretty well agreed that maybe I had gotten into something I shouldn't have gotten into for a while.

But the chief problem was that the franchise, the fifty-year franchise, had expired. The rates that were established in 1921 or 1922 were still in effect, and this was 1949. The city was on the commission form of government at that time. You had three commissioners, Mr. Hubert Eastwood, Mr. Cliett—the cottonseed hybrid seed man, not any kin to Joe Cliett—and Frank Zimmerman, who was the theater man; he was mayor at that time. They all assured me that if I would buy the company, they were sure that the city would work with me and help get it all straightened out and I'd have no trouble getting a franchise. But Mr. Cape, who was a local attorney of longtime, grew up here, was president of the State Bank and Trust Company. He had a personal conflict going with Mr. Walter Donalson, who had also grown up in San Marcos [and] was an attorney [who] had moved to Dallas. Mr. Donalson and his family owned the telephone company with the exception of the one-eighth interest that belonged to Mrs. Dudley Johnson. Mr. Cape talked very favorably to me about getting a settlement of the situation and, as a matter of fact, told Mr. Donalson that I was the only one who could get a franchise, which Mr. Donalson felt limited to him pretty well to who he could sell to—I'm not sure I should tell you all this.

Recorder was left on for a few moments then at Mr. Price's request was turned off and recorded over.

Price: This is going to be immediately available up there, isn't it?

James: I just turned this back on. It is recording over, okay.

Price: Anyhow, Mr. Donalson went to Dub Thomas, who was Lyndon Johnson's attorney, and wanted to negotiate with me to sell, for me to buy it. I turned the negotiations over to Charlie Herring, and he and Dub Thomas worked out the deal. I took over on November 1, 1949. I remember when I walked into the office that morning, Mr. Donalson was signing the payroll checks and when he had delivered these checks and we talked a little while he left.

Phone rang for Mr. Price, recorder turned off for a few minutes

Price: When Mr. Donalson left, I remember three things happened that first day. One was an old college friend, Olaf Ledal, who had an electrical engineering firm in San Antonio, called me and wanted to come over and see if he could be of any help to me. I also got a call from Mr. Huffman Baines, who was Lyndon's uncle, offering to come over and help me with the traffic engineering problems. The other things was that Mrs. Thelma Netherland, the chief operator, came running down the stairs of the building they had at that time saying [that] it had blown a fuse and the whole system was out. We couldn't find where the main fuse went, and Mrs. Netherland went down to Field Furniture and got Mr. Swift, who was the former manager, [and] brought him in. He walked over and pulled out a spare fuse from a cabinet and went over and put it in. It seems what had happened was that they had a practice in town that when they had a fire they cut across every line in the system, whether they were talking or not, and announced where the fire was. They held the key there too long, and the silk and cotton insulation in all the wires had blazed up and caught fire, and it had blown a fuse. That was when that practice stopped for all time. I had never heard of such a practice before, but I got a lot of complaints from over the town from people who had always been used to that except the fire department. They were very, very happy we were going to discontinue that because it had caused people to follow them and get in their way. Stop that a while, let me think a minute.

Recorder stopped for a few minutes

Price: Mr. Huffman Baines came over, and he was just retiring at age sixty-five from some forty years with the Southwestern Bell [Telephone Company]. He was a graduate of A&M [Texas A&M University] in electrical engineering. His father at the time was secretary of state, and he had died while, I believe, Mr. Baines was in college. Cut it off for a minute while I decide.

Recorder stopped for a few minutes

Price: His sister was Lyndon Johnson's mother, and this further confirmed in Mr. Cape's mind that I had some association with Lyndon Johnson. So, let's change the subject for a while then.

James: What were some of the disasters and setbacks you had when you first started, besides the burning of all the wires?

Price: Well, they had had a strike going on here over wages. It had been going on for about six months, and maintenance had been neglected. The cable had a lot of pin holes in them, and every

time it would rain, why, it would suck water in through the pin holes, wet the paper insulation, and put a lot of people out. A lot of trouble of that kind. There were people on the edge of town wanting service that had done without service all during the war, and so we had lots of applications for service. We had no natural disasters that gave us trouble, but we did have a very difficult time of rebuilding the plant. The thing that really delayed us, though, on going ahead and getting the financing for rehabilitating the plant and for converting to dial, was the trouble we had with the city about the franchise and about rates. I was first intent on stopping the program from losing money; it had lost money during '49. I submitted rates to Mr. Cape that would get us [to] break even. He met with the city commission, and they approved it, and he told me the next morning. I don't recall that there was any kind of objection anywhere in the city about this change of rates. I really didn't know that they had made it a formal resolution. But when I asked for copies of this from the city, of anything that had transcribed about the telephone company, I find that either they had this in a record as what came as application or that it had been formally adopted. Anyhow, it didn't allow us a profit; it did get us [to] break even. The system at that time was common battery, they had seven positions; it was upstairs at the building across from the present phone store. That was built in 1928 as a telephone building. Common battery, of course, is good service, but it's labor intensive.

James: That is where it requires a switchboard operator for each phone call?

Price: That's right. Every call had to be handled, whether long distance or local, by the operator. A lot of people objected to going dial. I remember Mr. Ika Woods, who had been a prominent citizen in town for many years, he said other people could go dial, but he was going to keep his like it was. The doctors all liked to call up the operator and tell her where they were going to be so that she could always find a doctor. People left all kinds of messages if somebody called for them and they were gone and this sort of thing. So, with dial operation, this kind of thing had to stop, and it took a little getting used to on the part of doctors and other people that had been relying on the operator to wake them up in the morning and this sort of thing—

Turn that off a while.

Recorder stopped for a few minutes

Price: We, of course, were not regulated by the state at that time. We had city regulations. A lot of people in town considered that the city was free to do anything they please. As one man, who was a graduate of the University of Oklahoma, said to me, "Well, now isn't it true that if the city wants to set rates that make you lose money year after year that you have to take it?" And I said, "No, it is not true." There is such a thing as confiscation, and the Constitution forbids it. If they attempt anything like that, you can take them to court and get regress.

James: What were some of the regulations that they were allowed to place on you at that time?

Price: Well, city regulation was—turn that off a minute.

Recorder stopped for a few minutes

Price: City regulation was not burdensome. The present state regulation, which requires all of these reports and approval of every minor thing that you do and this sort of thing, cost \$200,000–\$300,000 a year. City regulation only cost you when you were applying for a change in rates. Then you submitted all of your records and so forth and showed what your income was, what your expenses were and what you needed to get a fair return. That occasioned expense, but [it was] insignificant by the side of the expense you go to now. Of course, under the law, the expenses you go to with regulations are part of the expenses that the customer pays for. When they had the bills before the legislature and [established] the Public Utility Commission, the legislators who were pushing for this would say to us, We're not after the independents; we're after Bell. But you see, the same regulations that apply to Bell, the same kind of reports, same kind of procedures, also applies to the smallest independent in the state. It creates quite a burden. We, of course, have grown to be, I believe we are the fortieth company in size, telephone company in the United States. That's measured by the number of telephones, I believe. If you measure it by the number of lines, I think we drop down to sixty or something like that because we have no party lines; I had better check that with the documents. I remember they carried us as number forty at one time. I heard my grandson say that we're being carried at number sixty now. Either we didn't grow as fast as some or something, there's definitely a count.

James: What kind of effect has the deregulation all over the nation had on San Marcos's phone company?

Price: Well, of course, it has created a lot of confusion. But it also relieved us of a continual negotiation, in fact, with the Bell system. We had been both in court and, before the Texas Commission, since it was created—it was created in 1975—in a controversy with Bell over our total settlements. The commission didn't have the nerve to go into the case; what they said was a generic case to determine what was fair in these settlements. Because of the Bell system is so very, very large, it was very difficult to separate out and see what they were making off of San Marcos Telephone Company. It was easy to see what we were making. The commission just stalled around and never did understand that the examiner that heard the case was convinced and wrote an opinion in our favor. Was overruled by the commission because of all the procedures that they thought it would get them into. They wanted to stay with the standard types of settlements that Bell had been imposing on independents for many, many years. Ever since they had a Supreme Court decision case that required separations of powers between local and long distance and so forth. Allocating plant in proportion to usage to long distance as the rate base. The result was that, after divestiture, we turned out to be in the same boat with Southwestern Bell in the settlements with AT&T, and these settlements were set on a tariff bases and not on a contractual bases with AT&T paying us the same thing [that] they pay Southwestern Bell for access into our system. It greatly increased our revenue from toll. In fact, it increased our revenue from toll more than we had been contending for in court and before the public utility

commission. So, we shouldn't have a lot of complaints about the divestiture. It finally enabled independents to get a fair shake in dealing with AT&T and the Bell system.

James: How did you maintain the stature of being an independent? Were you asked to be bought out, or did people try to buy you out from time to time from the large companies?

Price: Well, sure after the REA act was passed—

James: What year was that, do you remember approximately?

Price: It was passed I believe in 1950. Early 1950s.

James: Early 1950s.

Price: I believe that's right. I had participated in developing the concept of this act with George Haggard while he was still in Texas. George started working on that before he went to Washington [D.C.] as deputy administrator of REA. George's idea was to develop a loan program that they would lend to rural cooperatives. He thought strictly in terms of cooperatives because the electrical cooperatives have proved so successful with the electric business for the rural people. I had proposed that if the independents had adequate financing on a reasonable basis that they would rebuild all these rural systems that had been put out of business by the REA electric noise in the line when they built over them; that all they needed was the financing that they couldn't get from other sources. But it didn't turn out that way, actually. George worked with Representative Poag from Waco in developing that act and getting it through Congress. They provided that independents would have a year of grace to apply for the loans and get started, that if they had not applied by the end of the twelve months from the effective date of the act that then they would lend to cooperatives. Just a lot of independents got bluffed off by Bell, in general, and the bigger independents about government interference and government invading the telephone business and that sort of thing, and [so they] didn't apply. So, the cooperative began to organize—we have sixteen of them in Texas—and they moved into territory that rural mutuels were serving for the most part and the smaller independents. REA wouldn't lend to any company that [operated] less than four hundred telephones. That was the limit they set that wasn't feasible. If there were less, they had to merge with other towns and so forth in order to get a loan. So, at one time, when I first started here, the REA people came in and told me that if I developed the rural area, in particular out where Canyon Lake is now and in there, then I would be eligible for REA money. But we had our hands full right here in town trying to get straightened out with the city and things of that kind. So I passed that up. Turn that off for a while.

Recorder stopped for a few minutes

Price: Most rural lines were one-wire and ground return, magnets phone, crank, and the REA overbuilt them. Put such a noise in the line that they couldn't use it. Then, after a lot of the small

rural telephone mutuals had folded up, the REA came along with this rural telephone act to finance rehabilitation and rebuilding of rural telephone systems. They brought in top telephone engineers; they wrote the specifications to be followed in the building of lines and cables and all the equipment. Where the rural mutuals had been the kind of “do it yourself” thing with the noisy lines [that] you had to shout over and all that, the REA financing required these to be first-class construction, no ground returns. The two-wire lines transpose so you wouldn’t have any electric interference or other noise. It’s been a great success. They have been built all over the United States. The equipment manufacturers, of course, were quite happy to see that act pass. As one of their salesmen told me, they thought it was going to be a revival of the telephone business [as] it started a new course. Of course, most of the small towns were still common battery when World War II ended. Most rurals were still magnetic when World War II ended. With the financing of the government, there was an upsurge of activity and rebuilding and rehabilitating and converting to dial that went on all through the fifties. By the time, oh, fifteen years after the war was closed, the job was pretty well done. You had the whole country with first-class telephone service on the whole.

James: One of the things I did want to ask you about was the fact that you have been referring to the independents and then the larger associations. In 1983, you were nominated to the Independent Telephone Pioneer Association’s Hall of Fame. In the article I read about you, it mentioned you had made several advancements and several changes in the phone system in your lifetime and had been a pioneer in engineering change. Would you be willing to share some of the changes that you and your associates pioneered?

Price: The principal thing, there are lots of small things, of course, that are not particularly remarkable, but the thing that we thought was a feather in our cap was developing a computer-control toll-switching system. This came about in this fashion: in 1967, we bought and installed a system from ITT, International Telephone and Telegraph, to go to direct dialing of long distance calls. The system was a great disappointment. It caused bottleneck and didn’t get through; the routing of calls through the system would end up with a number of calls trying to go through the same circuit and blocking. Allyn Gill, who was running our computer department at that time and was pretty good with circuits, studied the blueprints and redesigned the circuits in that system, and ITT sent the crew down, and they rewired it. This greatly improved it except that it had failures. The principal failure was in recording. When we’d see red lights coming up there on the top, it meant that there was a call being talked that wasn’t recording, that wasn’t being ticketed. Now, we never cut people off; we let them go ahead and talk because we had rather lose the revenue than have the reputation of bad service. But it was very unsatisfactory. We complained bitterly to ITT and threatened to sue them.

We began to survey all the equipment available from all the other manufactures. We were looking for a system that could switch as fast as the computer, you know, in microseconds because that technique was available, that technology had been developed. Not a single one of them were manufacturing equipment what we considered to be the state of the cut. So we said,

Golly, we're going to show them something, we will get a system built. I called Jim Blackhall, who had a number of inventions, about thirty [patents] in the telephone industry. [I] asked Jim, if we furnished the money, would he assemble a crew and develop a system using computer technology. Well, he said he was retiring and he was going to Germany to live where his son was. But he suggested that we get in touch with Steve Chapman, who had been his assistant at one time. Steve had worked in Bell Laboratories of Canada and that he thought Steve would be a good man to work with. Steve was working for Astrodata up in Anaheim, California. Astrodata was manufacturing equipment for the space program. They were big in the manufacturing of the Athena craft that went to the moon. So, we got Steve on the line, and he said they would be interested, that space work had just about shut down, that all of the manufacturers in the space program had a lot of idle capacity, and they made an appointment to come to our office in about three days. Steve and the head of his department, Mr. Thiergardner—I think that's Thiergardner—came to our office. I got my people together; our software people and Jerry Clark and all those and Allyn Gill. Allyn was good in circuits. We sat around the conference table there with a blackboard up there and Steve at the board. They began to draw circuits to try to figure out how it could be done. After two or three days of that, Thiergardner and Chapman said they could see how the problem could be solved and that they would propose a contract. They came back then with an estimate around a million dollars. I forget exactly what it was. There was a lot of details that we worked on, and we signed a contract that went something like this: that they would put up bond at one and one-half times the purchase price to protect us if they fell flat on their face. We would furnish money as they made draws on the contacts. If we became dissatisfied at any time with the way progress was going, we had a formula by which we would pay them off for the work that was done, and we could take it and move it to some other place.

So, what happened was the president of Astrodata called me in a few days and said that they couldn't make bond right then, that they were undergoing an audit. But with my permission, they would start work on the planning, the blueprints and so forth. The software people, we sent our own software people out there to work with them, and they wouldn't call on us for any money until they made bond. So, I said fair enough, no risks. Then we got a call one day from our software people out there, and [they] said, We heard a rumor that Astrodata is going into bankruptcy. We said get all that software out of there. Our people had done it, but you go into bankruptcy, well, they seize everything. That was in a lot of carts. They stacked it up on one of these trundle trucks and went right out by the guards and took it up to their apartment. I have a brother living out there in Hollywood, he's dead now, but he used to be ___ (?) for director at Warner Brothers. I had them take it up to his apartment. When I told him that the United States Marshals might be there looking for it and [he] took it over to a neighbor's house and put it in a closet. Sure enough, we got a call in a little bit from the man who had been appointed receiver [and] wanted to know about that software. We told him our people did it. That it had been moved. I went out there, hired Bill Simon an attorney who's fooled with a lot of bankruptcies, and we went out there and negotiated with Security National Bank, who was the first lienholders, on getting what work had been done out of there. I said, "You know our contract says that we

can pick it up and move it anytime we're dissatisfied," and they said, Yeah, this is bankruptcy, and a contract doesn't mean a darn thing. So we bargained around with them, and Bill Simon, he wanted us to go outside and talk. They were asking for the right to manufacture that once we got it perfected. If we took it somewhere else and they'd turn it loose for, I believe \$50,000 is what it was. Bill Simon said, "We had walked around the plant and here were guys playing dominoes. Wasn't a bit of work being done, 2,100 engineers and nothing to do." He said, "Nobody will ever resurrect this corpse. They'll never manufacture anything. You're not giving up anything to let me do that." So we did, we told them okay. We then said, If you have these employees here that are not going to be employed, we'd like to take them to San Marcos and build this. They said, Take who you want. I asked Steve to pick out key people who he'd need. We brought them, and we set up back here. We were using this part of the building for a warehouse at this time until we grew into [it]. We moved all that out, and we put in drawing boards, we hired draftsmen locally, some very good ones. We set up an assembly line table and put in offices with temporary walls for the software people and went to work.

James: How long of a time span did that take you from the time you first tried to do it, going through all the bankruptcy then coming back and, being able to have it done?

Price: Well, we started work in 1969 or 1970. It took us about two years to decide that we had a Jonah on our hands that we had to replace. We had it operating by in 1972. But it wasn't operating entirely satisfactory; [it had] a few bugs in it. We sold the rights to it to Anaconda Copper [Mining] Company. They moved out into a building on the highway there to manufacture it. We let them take some of the consoles that we had built. They were to replace them later, which they did. They kept changing the software coming in; they'd find something that hadn't been foreseen in software, and they'd put what's called a patch on it. Then at the end, they rewrote the whole thing, so we went through all that. But by 1973, everything was smoothed out and working. It has been a beautiful system. But what he did was take a general automation computer and build interfacing equipment so that it could operate any kind of system, any kind of step-to-step electrical mechanical system. It was ideal for that time. We had good marketing to show it to people who had automatic electrical equipment or like equipment of strong recognizable equipment, very flexible.

People came from all over to see it; all the big manufacturers came down with the guys that they would want to buy it, wanted to look at it. The people who were most interested in it and wanted to buy it was IBM. We were most interested in selling to IBM. We figured they knew more about marketing than any of them. But their engineers called me from New York and said they were very disappointed that they had taken it up to the highest level. I suppose the highest level would be a board of directors. For reason they could not disclose at the time, they were going to be unable to go ahead with it. About two weeks later, the paper was full of this antitrust suit that was filed against IBM. The government was keeping IBM out of the telephone business and AT&T out of the computer business. Now they turned them both loose, and IBM is moving into the telephone business and AT&T into the computer business. So, the timing was bad for us.

Anaconda Copper Company was taken over by Atlantic Richfield Oil Company. They gave them a year to show profitability. They had to learn a lot about the kind of system and what they were getting into. They were great marketers of copper cable and copper wire for the telephone industry. They had gotten into the carrier, subscriber carrier particularly, which is a radio that multiplies the number of circuits you can get out of a couple of wires. Because it's a radio frequency that follows the inductive field of the pair wires, you can get very high quality in carrier. For instance, for toll lines, you can get ninety circuits; sometimes you can even get more; ninety circuits on one pair of wires. Anaconda had advanced in this area, and they were wanting to get into the general equipment area. They sold systems in Virginia, I think about seven systems there, and they sold a system in some city in New York, right now I can't think of it. Then the year was up, and they weren't profitable, and they shut them down. We told them at the time that the way the technology was developing, we estimated the life of the equipment would be about twelve years, and they would have to have a new generation that would be completely solid state, the digital system that we have back here now. So we hit that just about right. We are beginning to phase that system out now. Moving into digital equipment, I'll take you back and show that system in a minute.

James: You also mentioned earlier, when I first talked to you, that when you first came here and first started taking over the business, you said you saw the first street sign and first stop light go in and all the changes you had seen. What's the difference in San Marcos, and has it grown as you had expected from the business standpoint?

Price: Well, San Marcos when we came here was under the tight control of the people who had been the prominent merchants and bankers and so forth here. They didn't want it to grow. They did want a good telephone service, and they wanted it without paying for it, mostly. But they didn't have a uniform policeman, they had a city marshal [who] never wore a uniform. I never did know who he was. I knew the name, his name was Roy Lane. But I never did know him to see him. They had just given Roy Lane a contract to haul garbage, which was very controversial. They didn't think that was necessary. Undue expense; everybody ought to dispose of their own garbage. The Jaycees got up a fund and bought some signs, street signs, and they were putting the street signs up, and some of the old timers thought that was awfully funny. Everybody knew where the streets were. That was typical, pretty well of the—they put up one street light. They did that before I got here. That was controversial; city putting on airs acting like a big city.

James: What street was that on?

Price: I think it must have been at the corner of the courthouse for people coming through from Houston going to Wimberley. But the college at that time was, I guess, about 3,600 students, and Dr. Flowers had ambitions for it to grow up to about 5,000. He thought that would be just the right size, and he didn't want it to grow after that.

James: You have had some affiliation with the university also as far as the Campus Christian Community.

Price: Dr. Flowers was a very active member of the Rotary Club. His great interest was the Rotary Foundation, financing foreign study exchange students and so forth. He brought in German teachers here in exchange and promoted that sort of thing. He seemed to think that all this sort of thing would have a great deal to do with keeping peace in the world if people understood each other and so on. Dr. Flowers was the type of administrator that tried to see about everything himself pretty well. Even landscaping, going out and watching it done and this sort of thing. He was a very good man though, very good man.

The churches, of course, wanted a presence on campus. Baptists established the Baptist Student Union, and they build a building up there. The Methodist had a young man here by the name of [Maynard] "Frosty" Rich, who is now a professor of sociology at Duke University. He got money out of the Methodist Church to buy, or at least make a down payment on, a couple of old houses up there where the Student Union Building is now. He dreamed of building a building. I was brought in up there [with] Bob Pollard, over at the bank, and Mark Whitburg, the insurance man, as local people in the Methodist Church to help them get established up there. Frosty did a lot of research and everybody that had ever gone to school practically that he could find their address, and he put on a campaign to raise some money. I think the church had given him about \$12,000, and I think Frosty spent most of that \$12,000 on the campaign and didn't raise hardly anything. I got, well, maybe not disgusted but discouraged, and figured that I wasn't any help, so I resigned. They had me as treasurer, and I couldn't keep control of the money, and I didn't want responsibility.

My old friend out at Texas Tech that went through Tech with Clarence Whiteside, he is an investment banker out there now, at that time he was president of the South Plains Insurance Company. He was in the Methodist student movement, an organization that had campus ministers all over in Texas and colleges. Clarence came to town and phoned me up and wanted me to get up there and see about that and straighten it out. I went back up there, and by that time, Charles Laing was operating for Methodist Church as the general field man or director for the campus ministries in Texas or at least for the Southwestern Texas Conference. Charles ended up giving me a written power of attorney.

James: Let me turn this, just one second please.

End Side 1, begin Side 2

Price: He gave me a written power of attorney to build that building up there.

James: The one they're in now?

Price: No, Frosty had an architect named Wukasch out of Austin. Wukasch, he's still operating out there. He'd designed a masonry building for that hill. You could enter the upper floor coming down the hill, and you could enter the lower floor down at the bottom of the hill. It was a very attractive building. We put retaining walls up the hill, had a lot of planning. It was the beauty spot of the campus; often referred to as the beauty spot of the campus. The Methodist Church raised, I think, about \$30,000, and I raised the rest for them. I believe that's about right. I gave them a donation of nearly that much and then lent them the rest of it. All of which was, I think, rightly paid off. I don't remember actually who paid what.

The college came along and wanted to build another building. It seemed to me that they could have moved over a little bit on that hill just as easy. They had a dean up there named Billy Mac Jones who threatened to condemn that building because they had had a demonstration up there against the Vietnam War; it all involved the campus. They marched down to the Campus Christian Community grounds and stepped on that and said, We're off the campus. He told me, "That's part of our campus, and we're going to control it, and [if] we can't control it, we are going to condemn it and take it." I told him that there was such a thing as separation of church and state and that they'd have a hard time taking it. But Billy Mac was a very agreeable personality, and he came down here and said, "We're glad to have a Campus Christian Community on the campus, and the architect is trying to use that space, and I'm going to be leaving here, but before I leave I'd like to get this settled. You put a price on that, and I'm going to meet with the board in Houston tomorrow, and I'll present it to them and see if I can get it through." Well, the going rate on buildings about that time was about \$30 a square foot. I said, "You give us equal land somewhere else and \$30 a square foot, and we'll take it." Well, they took it just like that. But you see, it took about two years for them to get an architect in and design another building, and by that time things had gone clear up. So that lacked about \$60,000 of covering the new building. We had a financing problem again. I financed it, partly loans and partly gift. The conference – Southwest Texas Conference in the Methodist Church has in their collections a certain percentage that goes to campus ministries of various colleges. They paid along on it, I'd made a loan without interest, and they got it down to \$15,000. I gave the note to the hotline up there, and then they raised the money and paid it all off. So, they've got it all paid for. There's something about that I left out, let's see, cut that off.

Recorder stopped for a few minutes

At the outset, I wrote the bylaws to make that a merger of the two Presbyterian denominations, the Disciples of Christ and the Methodist Church. I put a paragraph in there for each of them to state how they would elect delegates to the board, according to the way they've organized. The Presbyterians, as I recall, contributed about \$15,000 for that first building and the Disciples maybe a little less. I know whatever the Disciples said they'd do here came a check. Most of the money put in it has been put in Methodist Church, and most of the money for operating comes from the Methodist Church. I'm not sure right now just how much it is. But I think it's great that the churches will cooperate. The doctrinal differences that used to loom so large no longer do.

James: But it was important to you to see the establishment of a Christian community on campus for the students?

Price: Yes, I think it's—the thing that bothers me is that it doesn't reach enough people. I think those institutions should have a great influence on the campus.

James: I know you've established a lectureship up there through the Campus Community Center to bring in people to try and help draw students in.

Price: I didn't intend for them to call this H.Y. Price Lectureship. I gave them \$36,000 to use the income that came in from that to bring some outstanding speakers to the campus, not necessarily a theologian, but somebody that is going to talk about something that students need to be thinking about. They brought in a speaker here a year or two ago on that what do they call it, some kind of theory on well-being, holiness?

James: The holistic.

Price: Yes, the holistic. I didn't hear him, did you?

James: No, I did not.

Price: Some of them were pretty enthusiastic about it. Just may be perfectly sound idea and theories, but I don't like to see everybody chasing after fads.

James: Well, is there anything you'd like to add because I've run over a little bit on your time already?

Price: No, I don't know how much good this will do you. You know, Mr. Huffman Baines wrote a book on his forty years in the telephone business. It will be of interest, I'm sure, to his decedents.

James: Okay, well, I would like to thank you very much for your time, and if you have a minute, we'll go over some of these names.

Price: I hope you're not too disappointed.

End of interview