

LOWTHER INTERVIEW #7

Loren Pennington: This is the seventh Flint Hills Oral History interview with Mr. James Lowther at his residence at 1549 Berkeley Road in Emporia, Kansas, on April 4, 2012.

The interviewer is Loren Pennington, Emeritus Professor of History at Emporia State University. And as always, we remind the user of this interview, that while Mr. Lowther and I have not been close friends, we have known each other for a good many years, and consequently this interview is conducted on a quite informal basis. Jim, last time we talked about your leaving the *Gazette* and going independent for a short time and then going to work for Citizens National Bank, the largest bank in Emporia, and we had gotten up to the introduction of credit cards, debit cards, and ATM cards at Citizens. Is there anything further you want to say on that subject?

James Lowther: Yes, at the Emporia Citizens National Bank and other banks in Emporia, debit cards had never been available and were unknown. And so we were introducing a debit card and this was called the Zip Card and the Zip System; that was how we marketed it. And we knew that people were becoming familiar with credit cards and how to use them at stores, but we were trying to promote the use of them and now, debit cards at the ATMs.

LP: Can you explain to us just how a debit card works?

JL: Yes. The difference between a credit and a debit card is fundamental. When you charge something, or buy something I should say, with a credit card, it goes on your bill that you receive monthly from the credit card company, Master Card or Visa, or American Express, or whomever. And you pay that or not, but if you don't pay it you pay interest on the balance that you owe. The debit card is a lot different in this. When

you use the debit card to buy something, to pay for something, the amount that you paid is automatically deducted from your checking account balance the same as though you'd written a check and the check cleared.

LP: That's very clear. OK.

JL: And people, of course, didn't understand all that. They were beginning to use the ATMs. We even put an ATM on the campus at the university because the young people were catching on to ATMs and the debit cards faster than the general population!

LP: That is always the way with these things; the younger people catch on to them quicker than the older ones.

JL: Yes, I've noticed that myself as I've gotten older. They catch on, and so at any rate, this kind of marketing gave us a big edge. So eventually, Emporia State Bank decided to join the Zip System, and I can't remember now, we may have had some other area banks that wanted to join the Zip System, and issue Zip Cards at their bank for use on their ATMs that they were putting in. So that was the start in this town of what is now a common, well actually, world-wide system. I've used a debit card in Copenhagen, Denmark, to get some—let's see, I can't remember their currency there. . . .

LP: Kronens.

JL: Yes, to get Kronens right there in the square. But at that time it was new and it was a challenge. We had other challenges during the twenty years I was at the bank, doing the public relations and marketing. We had to deal with the severe inflation in money, credit, I believe it was in the 80s—it's hard to remember these dates. But we were paying at one time, double digits on separate certificates of deposit.

LP: By that, you mean you were paying over ten percent?

JL: Yes, I think one time we offered a special short-lived offer—you bring your money in you, would get like twenty-eight percent, but this was for like one month or two. It was a come-on type of thing—the reverse of things in the stores, when they would make a real low price to get people in, but if you buy more than one, or whatever then it's more. But anyway the competition for deposits was terrific and the interest rates were going through the roof.

LP: The interest rates that you were paying people, not what you were charging, but what you were paying.

JL: Well, now I was not on the loan side of the bank, but as I recall, if you were borrowing money at that time, you were paying quite a bit of interest.

LP: The interest rates were high.

JL: Yes, the interest rates were high. And if a bank had to pay exceedingly high rates to get deposits, they had to raise their loan rates or else they would be losing money, hand over fist. And so, the whole inflationary situation, along with shrinking the money supply, etc. forced rates up on both sides of the balance sheet.

LP: As compared to now, when the rates you are lending at are practically dirt cheap and the rates you are getting if you put money in the bank is practically zero.

JL: Yes, I would think today, we're talking 2012, the rate situation today is the opposite of what it was then. And also, the competition with Capital Federal on one corner of downtown and Emporia State Bank across the street [but] soon to move to their current location up Merchant Street. But anyway, competition for customers and for their deposits was rather heavy, and they all did advertise special offers for depositors to come in. Everything from dishes to bibles; we never did offer toasters but some people did.

And the idea was that it would attract them to come in and, I don't know in the end whether it ever increased the deposits that would have been obtained anyway. It's hard to measure something like that. But you had the extra expense and bother of all these incentives to be offered, plus if you didn't do it, the other banks would and so it was a real escalating competition there until rates finally began to subside.

LP: I recall that I still have a radio I got by one of your giveaways; I think it was from Emporia State Bank.

JL: Yes, yes. Well, I'm glad you still have a good radio that works anyway. The competition took some strange forms. They relaxed some of the rules along in there that would allow banks to do this type of thing. You see, for many years the regulations governing banks would not permit . . .

LP: These giveaways.

JL: Giveaways like we're talking about and incentives for people to come in. So the banking rules began to change and over the twenty years I was there, this was a constant factor to deal with. There were pressures to liberalize, modernize banking laws, and counter-pressures to maintain the status quo.

LP: You mean maintain the status quo without regulations?

JL: Well, they didn't want the regulations modified. A smaller bank, we'll say a rural bank, felt comfortable in competing in their circle of influence, however small or large it was, and getting customers and loan customers. If rules were changed to permit an intruder, you might say, to come into their marker area, then that would give them competition that they weren't experiencing.

LP: You're suggesting that the regulations favored the smaller banks—gave them a competitive standing with larger banks?

JL: They were in a better position without the competition that they felt they were going to get. That's true.

LP: Removing the regulations heightened the competition?

JL: Well change, as you know, is sometimes difficult, and with that there was a fear of the unknown. If you were a bank in, we'll say Americus, Kansas, you wouldn't want Citizens National Bank in Emporia putting an ATM or even a branch in your town; you see what I mean?

LP: And one of the things about regulations is that it did restrict branch banking.

JL: It did, it did. And in the meantime the savings and loans didn't have such stringent regulations and brake on how they could do business. They weren't held back to the extent banks were, and credit unions also were different, so there was an uneven playing field that gave the banks, a lot of the banks anyway, impetus to push for change and modify the regulations. Now some of this was taking place while I was at Citizens National and some of it took place while I was at Citizens National when I was in the State Legislature.

LP: Was there ever a mix of the two? Did the fact that you were at Citizens affect the way you acted in the Legislature?

JL: Well, I think so. I can get into that at this point. First, let me say that when I started there, you had to bank in your bank building. You could have a drive-in facility next door that was attached somehow to your building. And all the banks eventually were able to put up some kind of a drive-in feature. At Citizens they bought the buildings

across the alley to the west and built a building there and then they put an overhead walkway between that drive-in bank and the main bank so that it was not a detached facility. It was attached and that's the way they got around the law.

Then the law changed to allow one detached facility within a half mile of the main office. So Citizens was first to put in a detached branch at 6th Avenue and Rural Street in Emporia. We called it Citizens West. And we did most services there except loans. We weren't permitted to make loans there. But we could take deposits and issue certificates of deposits and do other banking business there. It was a nice little facility as long as the bank operated it. A few years later, a further change came along, that the larger banks you might say, pushed through, that would allow branching within a larger radius. I can't remember exactly, if it was within your town maybe, or the city limits of your community, you could put a full service branch in. Now this was quite a change. So Citizens jumped in with both feet and bought and put up a double-wide modular home, is that what you call it? Actually it was a house, fixed up to use as a drive-in facility and we had a loan officer there, also.

LP: Where was it?

JL: This bank was located on West 15th Avenue in Emporia, across the street south of the mall, the shopping mall. And while we were operating this facility, we had acquired the corner lot and were building a permanent structure there to be the bank building. We were faced with a problem during that short period because of the tornado that hit Emporia and did severe damage to the shopping center's buildings across the street and did some damage to the modular drive-in branch bank, but not too bad. But at any rate, finally we were able to move into the permanent facility at 15th and Industrial Road.

And this bank had loan officers; it had safety deposit and all the services of the main bank.

LP: Serving the west side of Emporia.

JL: Yes, it was out there on the west side.

LP: It was a residential area.

JL: It was just next to the modular facility we had on West 15th, 15th and Industrial which is a north-south street on the west side of town.

LP: Industrial was a north-south one.

JL: Yes. One time I moved [my office] up in the Citizens Bank building to the third floor. When we built [Citizens West] I moved my office out there, and I was there along with a loan officer to help drum up business and loans from that neck of the woods. It wasn't long after that, that the other banks found it necessary to expand their facilities.

LP: Particularly on the west side?

JL: On the west side. Emporia State Bank put in a full service bank at the corner of 12th. We were on 15th, they were three blocks south on 12th and then caty-cornered across from that, Lyon County State Bank put in a full service bank and drive-in. In the meantime, we put in ATMs all over, including one out on the east side of town, out by the Dillon's, and it's still there, still in use by Bank of America.

But things change. While I was in the Legislature one of the things that happened is that Hershel Shepherd wanted to move the Admire State Bank to Emporia and the law would permit this, the way things were changed. But in order to move the Admire State Bank to Emporia you had to have approval by the State Banking Board, the State Bank Commissioner, which [Hershel] finally succeeded [in getting]. Most of the Emporia

banks were somewhat dubious about having that new bank come in, which increased competition. This bank was built on the east side of the town. But at any rate, that did happen and Admire [Bank] came in and I think they increased their size of their bank by many-fold by moving in from Admire, which is twenty miles north of Emporia in a small town.

Another change that was in the wind, and finally came about, was for what they called multi-bank holding companies, and I'm not sure that I'm a financial expert enough to explain all the ramifications of a multi-bank holding company. But if you have a multi-bank holding company you could buy another bank, for example, or savings and loan. In other words, a bank in we'll say Andover, could buy a bank in Rosehill, or a bank in Overland Park could buy a bank in Lawrence, etc., because you could own several banks with a multi-bank holding company. The holding company would own the banks and they might be operated all under one name as just a plain branch or they could be operated in their original name, sort of as an autonomous-looking financial institution.

LP: Is that what Bank of America is today?

JL: Well we're talking here just about Kansas. Now Bank of America was in more than just California; it started in California. But they couldn't come into Kansas because of Kansas law. You see what I mean? So until the law was changed, they couldn't come in, but eventually it was. All this was being debated in the Legislature, [and] the state laws, of course, had to be changed drastically. While this was in the Legislature, it became a hot potato and I remember a gentleman I knew from Leon, Kansas, a rancher who was a legislator and he and I shared an apartment. He was on the Board of Directors of a bank—I believe it was in Augusta—and they opposed this and they were upset and they

didn't want it. He was on the board and he was under the gun. The debates in the House floor became heated. There was one senator on the Senate side in debating this who owned a bank in Fredonia, I think. He came to the point where he was in tears. It was quite an emotional issue.

LP: You're suggesting to me, then, that this question of bank regulation was fought out in the Legislature and there were actually bankers in the Legislature.

JL: Yes, there were bankers in the Legislature, just like there's lawyers and farmers
And. . . .

LP: In fact, they're fairly common in the Legislature.

JL: I don't think they're really prominent but there were always a handful at least. A hundred and twenty-five in the House, and maybe there'd be a couple or three involved in a bank like I was, and then there may be another handful who are on a bank board somewhere.

LP: Or had bank connections?

JL: Bank connections. But that's true of practically any industry. The fact is, that this was a sea change in the financial industry in the state. It was going to affect so many people, and the way money was going to be invested and the way money was going to be made or lost. And so the states were very high on this.

LP: Are you suggesting to me that the banking regulations were changed in order to make banking easier in Kansas? More competitive?

JL: That was not the peanut of the issue, you might say. Naturally they wanted to be more competitive in order to be more profitable. In order to be more competitive they didn't want the shackles, the hobbles that they had struggled with for years. They'd get

over this hurdle and then they'd get over that hurdle and drop that shackle and it finally went to where you could get branch banking. But in the meantime there's always someone who when you change something, someone is going to be hurt, or at least have the strong feeling that they are going to be damaged, so they're going to oppose the change. And as I say, it became quite a heated issue. I was in the Legislature and I made no bones about the fact that I represented my employer; at the time it was still Citizens National Bank.

LP: They're feeling you were looking out for Citizens National Bank's interests?

JL: Well, they knew; I wasn't blindsiding anybody. They knew I was affiliated with a bank and how I was going to stand. Now my roommate, Representative Kenneth King, the rancher from Leon, they didn't know maybe that he was on the board of directors of a bank unless he would tell people or maybe in a debate make it known that he was.

LP: Kenneth King was your roommate?

JL: Well, I don't want to get into all that yet, but when I was in the Legislature at that time, I didn't drive back and forth every day from Emporia.

LP: You stayed there?

JL: I stayed there during the week and came back Fridays and went back on Mondays. I still had a job at Citizens National Bank, and I had good help and assistants to take care of things, but I had to get back and spend time. I usually spent as much of a Friday as I could, depending on what time I'd get back in town and Saturdays I'd work, do a lot of paperwork, and even Sunday if necessary and any last minute thing I'd take care of Monday and then head back to the Legislature.

LP: You were staying with the person you roomed with in Topeka?

JL: King and I were called the “odd couple.” He was a conservative banker, rancher from rural Kansas and I was from little Emporia, Kansas. I don’t know how I was looked at, but they could see that I was not as conservative and far over as King was, so the [differences] between us would be quite interesting. But we always were friends. But at any rate, there were people who had a great deal of animosity on this issue and [it was] one of the few times in the Legislature when I felt like I was being cussed out behind my back, or they were throwing barbs at my image, or whatever. But at least that affected Citizens because in about 1985 the largest bank in Kansas, Bank IV Wichita, bought Citizens National Bank and Trust Company and changed the name to Bank IV. And of course that was all possible because of this legislation that had gone through.

LP: Would you say Citizens National Bank was generally in favor of these changes?

JL: Yes, I do, because I think Oliver Hughes realized that in order for the bank to continue to prosper it had to grow, and in order to do that he could see there was a limitation here. If the Citizens Bank could serve just a certain area of customers the same as the other Emporia banks—Citizens Bank drew from farther away by far, than the others when they drew in cattlemen for cattle loans.

LP: Yes.

JL: They could make a cattle loan almost to Western Kansas if they knew the operator, or knew the farmer well enough. But that was kind of the limitation. I think Mr. Hughes, and probably his board of directors, were aware of the fact that change was inevitable if the bank was going to continue to prosper in the future.

LP: Was Oliver Hughes the biggest stockholder in the bank?

JL: I believe he was, in my opinion.

LP: OK.

JL: The biggest stockholder, and he was always acquiring stock from people who owned stock in Citizens Bank. I was fortunate enough to buy stock that a lady had that I found out about through a friend who referred us together and I ended up buying some shares of the Citizens. And to my chagrin, I kind of got into Oliver Hughes's doghouse because I think he didn't realize those were for sale.

LP: He wanted to buy them ahead of you?

JL: He knew the owners, he knew he could find out who owned it, but he would want to buy it for himself or buy it for the bank.

LP: Is he the one who sold the bank then to Bank IV?

JL: Yes, that's correct. As I mentioned in an earlier tape, I believe Oliver was the leader of the Educator's Investment Company, and the large pool of money that that investment company had was used to acquire the bank. They also owned, I think I mentioned, nursing homes and what have you. But at any rate, Bank IV acquired all the stock and then shortly thereafter they acquired stock in the First National Bank of Topeka so they were busy expanding throughout the state in the mid 80s.

LP: This is Bank IV.

JL: Bank IV, yes. And I should say also, while I was in the Legislature, the Bank IV lobbyists were very, very active up there in trying to get this legislation passed that I referred to. Some of them were not welcome in certain areas because of the smaller banks. I've never seen—I think maybe the severance tax generated fights like this where emotions and feelings were that high. But at any rate, while I was at Citizens for those

twenty years I did see a lot of change in banking, and then there was some national—Congress changed laws concerning the deposits and what you could do.

[End of Side A]

[Side B]

LP: One of the things we have to understand, I think, is that when I came [to Emporia] in 1960, we had banks, we had savings and loans, we had credit unions, each one operating under a different system of regulations [and each kind] could do some of the things that the other ones couldn't do, etc., and I think the tendency has been, and you can correct me if I'm wrong, is we've moved to the point where all three of these groups act about the same way and are subject to the same kind of regulations. For instance, I think you have pointed out that the savings and loans for years couldn't have checking accounts, but now they can.

JL: Correct.

LP: So the whole banking structure has become, I guess we would say, simplified in that almost everybody can do almost everything.

JL: Well, it's almost to that, yes. You'd have to look at laws and regulations very closely to find where they are different, but the point I've been trying to make here is that during that period of time from . . . when I went to the bank in 1969 until I retired in 92, it was always change.

LP: You retired in 92?

JL: 1992, yes. There was always change and the change was always to liberalize the regulations.

LP: Letting banks do things they hadn't done before.

JL: Savings and loans were pushing for change. They had lobbyists in Congress as well as in state legislatures, so that they could change and make different kind of loans other than just mortgage loans and all. And then if you remember, the savings and loans nationwide got in big, big trouble from too many marginal investments.

LP: One of the [biggest failures was in] Colorado by an ex-Emporian.

JL: Yes, that's true. I don't want to get into that; then the [pendulum] went back on them, and they became a little more controlled than they were. But, it was an interesting time and of course I was not a loan officer, and I think I've said that. But I was involved in everything else and something was always changing. Bank regulations would change. We had to try to explain to people, there was a Regulation [Z] passed and that regulation had something to do with disclosure on installment lending, like where someone borrowed a smaller amount for a few days or maybe a car loan or financing appliances, and so on one hand it seemed like while they were liberalizing the laws that governed how banks could operate there were also rules and regulations being implemented that limited, in the interest of protecting the borrower, [what we could do].

LP: That's interesting. Regulation comes back not to limit competition so much as it comes back to stand up for the rights of the consumer.

JL: I'm talking about federal legislation, truth in lending.

LP: Yes.

JL: I don't believe we ever had to deal with that; we didn't deal with that in the state level, the State Legislature.

LP: The states are only worried about the competition.

JL: Yes, but it was an interesting time that saw a lot of changes being made and some banks were quicker to try and capitalize on those than others. And it became a competitive situation even more so as the differences were gradually eroded away and the similarities increased between savings & loans, banks, and the credit unions. So the other things I think I could talk about probably are not of that much interest or, you know, are personal experiences of dealing with people and problems. I think we can probably say that those wouldn't be any different than anybody else had. But I was fortunate to work for Oliver Hughes and his chief loan officer, Les Freeman, and then later, Kenneth Buchele. Kenny Buchele went on to the Emporia State Bank. But I was fortunate to have some smart people to work with, to work under and work with, at the bank and I never really regretted the opportunity.

LP: We've now come up to the point where you are no longer working for Oliver Hughes and Citizens National Bank, you are working for Bank IV.

JL: Yes, sir.

LP: Is that any different?

JL: Yes, sir, that was. [Before Citizens Bank was sold to Bank IV] Oliver Hughes and his investment company bought Merchants National Bank in Topeka.

LP: Oh, Oliver Hughes bought Merchants National Bank?

JL: Yes.

LP: OK.

JL: So he kind of started spending all his time in Topeka.

LP: Yes.

JL: And then Les Freeman was moved up to the President's position and Buchele moved up to head loan officer, etc. In the meantime, our trust department had, as I think I mentioned, the Jones Trust, a large, large trust left by the cattlemen. Then the trust department started going through changes because it wasn't too long after Oliver acquired Merchants that Bank IV acquired Citizens.

LP: In other words, Oliver got out of the Citizens business?

JL: Yes. And what I can't remember now, is how I think Oliver then sold Merchants, but I can't remember that now. But I know that Merchants was a big competitor of the First National Bank in Topeka.

LP: OK. Let me see if I can get something straight here. We had earlier talked about First National Bank of Topeka, that was acquired by Bank IV [of Wichita]?

JL: That's correct.

LP: OK. And Merchants National Bank was acquired before that?

JL: Yes.

LP: By?

JL: Oliver and his investment company acquired that.

LP: Merchants National Bank.

JL: And we started merging the trust department there, as I said, etc. But the whole thing changed, then, when Bank IV began to expand. My intention was to retire from the Legislature, because I'd been in the Legislature since the summer of '75, and to continue working with the Bank IV. Well, the thing is, then, it came up that Bank IV was changing as they acquired more banks, and they wanted me to move and be in the marketing department in the Headquarter's Bank in Wichita. I did not want to make that

move to Wichita and my wife didn't either. So I felt like I was nearing the end of my career anyway, in '92, so I took early retirement from the bank, from Bank IV.

LP: In other words, you did not stay very long with Bank IV.

JL: Well, I think they acquired it, along in '85. And so I retired in October, I believe, of '92.

LP: So you were with Bank IV for six or seven years.

JL: Yes. And it was an interesting time working with the people in the holding company. We would have marketing meetings and we were able to start getting involved in television, and television that reached the Emporia market, television advertising. When I was handling the advertising for Citizens, we couldn't use television; we could use radio, and we used a lot of radio and newspaper mailings, so this was a lot different.

LP: But you were a television hand?

JL: Well, yes.

LP: You were connected with Catfish.

JL: Yes, to some degree. But this was new and it was exciting and then we could have, you know, statewide billboards if we wanted—we could do all these things and so I would spend almost a day a week in Wichita—coordinating all that's going on and working with the different people from Topeka and other. . . .

LP: Were you the head of this operation?

JL: No, no. I was not the head.

LP: I see.

JL: No. If I'd moved down there I probably would have been somewhere around second in command. I might have been the head before I retired, but I decided not to do that. And I decided to take early retirement and stick with the Legislature a while longer. which I did.

LP: Let's see: you say early retirement, but of course in 1992 you were what, sixty-three years old?

JL: Well, let's see. I was born in '29.

LP: Now sixty-three years old.

JL: Yes.

LP: OK.

JL: So anyway, I did stay in the Legislature and I ran for re-election in the fall of '92 and '94 and then I served in '95 and '96 sessions, and then retired from the Legislature after the '96 session.

LP: Did you have any, how shall I put it, gainful employment after '92?

JL: The Legislature.

LP: You were strictly in the Legislature and retired after '92.

JL: Yes, I was in the Legislature and then when I retired from the Legislature after '96—I didn't run that fall, so someone else ran and took over in '97. I was completely retired then.

LP: And you've been retired since?

JL: Yes. I've been retired completely since '97.

LP: Well, have we come up to our Legislative years?

JL: Well, we could. I could start telling you how I got in it.

LP: Are there things we need to cover first?

JL: The story how I got in it?

LP: OK.

JL: It's kind of interesting.

LP: Let's start that one today and we'll continue it next time.

JL: There was a well-known Emporian named Kermit Oakes, who was the state representative. He owned the Credit Bureau, the Lyon County Credit Bureau—he and his wife ran it—and he was in the Legislature. He lived down the street from me. He came down, I believe it was with cancer, and anyway he was seriously ill and he had to step down, and then he had to retire from the Kansas Legislature. So this created a vacancy in the district that represented Emporia. I was helping some others try to get people that might want to run and get them to run. The process that took place then was that the Republican precinct committeemen and women in that House district would meet and vote the replacement.

LP: This is for Kermit Oakes; his term was not up yet?

JL: No, his term wasn't up yet.

LP: OK.

JL: This was in the spring of 1975 and his term wasn't up so the law is that the precinct committeemen and women in the district that's involved would vote for and elect a replacement whose name is forwarded to the Governor, and the Governor gives it his rubber stamp and that was it.

LP: You were talking about the Republicans.

JL: Kermit Oakes was a Republican, so the Democrats were not involved in this, and the replacement would be the same party. If he had been a Democrat, it would have been a Democrat.

LP: Democrat to Democrat.

JL: That's correct. This was a Republican. We didn't have too many active precinct committeemen and women in Lyon County at that time. In fact, the truth of the matter is, we didn't have citizen involvement in the political process in 1975 that we have today.

LP: What you are suggesting to me is that in 1975 the political bosses were running the party.

JL: By default.

LP: Yes. In other words, we didn't have this very heavy citizen involvement that we have today? That's one of the changes that has taken place.

JL: That's true. I'm not saying the bosses aren't trying to run things today, but we didn't have the citizen involvement and I can give some more illustrations to that. But anyway, we were trying to find people to run and I went in one day to talk to Oliver Hughes at the Citizens Bank about this. And I told him what we were trying to do and of course he was always interested in this.

LP: Is [Hughes] still in Emporia at this time or has he become more and more involved in Topeka?

JL: He hadn't gotten involved in Topeka.

LP: So he's an Emporia man?

JL: He was President of the Bank.

LP: Yes, right. OK.

JL: He had been active in politics in the state level in Wichita before he acquired Citizens and moved to Emporia; he was well-known in Republican circles.

LP: Not as an office holder?

JL: Not as an office holder, but as a person involved.

LP: More of an insider we might say.

JL: Yes, he was a leader in the party, yes.

LP: Was he also heavily involved in the oil industry?

JL: Yes, he'd been an attorney for a lot of oil companies.

LP: Which may account for his interest in the severance tax.

JL: That's right. Yes.

LP: OK.

JL: Well anyway, he said, "why don't you do that [run for the Legislature]?" And somebody else had jumped me about it, Dan McClenny or somebody and I said, "No, I can't do that. I've got a job and I've got to. . . ." Well, I talked with Hughes, he said, "Why don't you consider that?" I told him, "I can't do that; how could I run for the Legislature?" I said, "I've got a good job here at the bank and I don't want to give that up and get involved up there." Well, he said, "I'll tell you what. If you decide to run, I'll support you and you won't lose your job; you'll keep it." So I thought about it and talked to some other people and they said well, throw your hat in. So I threw mine in along with Roy Jordan, Elmer Buster, and Hershel Shepherd; there were four of us. Elmer Buster was the manager of the soybean mill out.

LP: Who were the other two?

JL: Hershel Shepherd, who was the Admire Bank, and Roy Jordan, a local attorney.

LP: Yes.

JL: And so we were all campaigning, calling people who were precinct committeemen and women.

LP: So it was a real campaign among the four of you then?

JL: We only had to campaign just to the precinct committeemen and women to get their vote.

LP: But it's kind of unusual to have four candidates.

JL: Yes it was; I think it was unusual.

LP: Almost as many candidates as you had precinct committeemen and women.

JL: Well, not quite, but almost. But we had a meeting in the basement of the Chamber of Commerce and the four of us had a chance to make a five minute talk in our behalf, and then I think prior to that somebody nominated me and I had a second. Then somebody nominated each of the others and then we each made a short talk and then they had a secret ballot. And at that time, I hate to admit this, but I think I'm right, there were only thirteen precinct committeemen and women there to vote.

LP: That's what I say, four candidates and thirteen people deciding it.

JL: And I got seven votes. The other six votes were split two, two, and two. So I was nominated, elected I guess. . . .

LP: By the vote of seven people?

JL: By seven people. And I went up there that summer and started serving on some interim committees. The Legislature has committees that meet during the summer and fall because the sessions are only ninety-day sessions in January, February, and March. And so I got my feet wet there a little bit.

LP: What impression did you get of the operation?

JL: Well, when I first went up there, it was awesome, because it was all new to me, you know. What little I knew about Topeka was from Landon's time and William Allen White's days and the Great Bond Scandal, and I hadn't spent any time in Topeka. And so it was interesting just to get up there and walk into the Capitol and start looking around and becoming oriented and getting familiar. You see Curry, you know, John Stuart Curry. . . .

LP: John Stuart Curry's painting.

JL: Of John Brown. I remember walking up the steps in the west wing there to come out on the second floor and across the hall, I was told, was the office that used to be the office of the State Treasurer of the State of Kansas. So I thought, well that's where the bonds were kept, so I walked in there.

LP: The Finney Bond Scandal.

JL: The Bond Scandal.

LP: Yes.

JL: In '33 and '34. So I walked in the office there, and it was open, it was now an office of legislators, but no one was there at that time or maybe one secretary. And to my left was a vault door and that was the vault. Now as a newcomer up there, I was impressed because that's where they somehow [sneaked] around the side of the building, got in the windows and somebody had left the vault open, and they got in and stole the bonds, took them out, had them counterfeited, and got them back in there. And I thought that would be an interesting place to have one's office! I don't know whose office it was at the time, some legislator's. But anyway, I was impressed.

And then one interim committee I had was chaired by the lady who was in the State Senate, she went on to become our Congressional Representative. This is terrible—[I can't remember her name]. I know her just as well as I know you. But anyway, she went on to be a member of Congress. I met a lot of people there, and some I'd heard of and some were brand new. I've got that name: Jan Meyers.

LP: Jan Meyers.

JL: She was chair of that committee that summer and we were studying juvenile issues, the laws concerning juveniles and how they are adjudicated, etc. I met the chair of the tax committee and had lunch, etc. So I did have my feet wet by the time the Legislature started in January of '76. In the meantime, I should say I'd been elected to the Emporia School Board and started my term on July 1, '75.

LP: Took a whole two jobs then.

JL: It seemed like all my life I've held two jobs.

LP: Held two political jobs at one time.

JL: Well, at the *Gazette*, I had two jobs. The cable company and the *Gazette*. At the bank I had the bank and then I had the Legislature and then I had the school board, so I had maybe three hats there. But anyway, the school board's no problem. And another member of the board, Marge Tidwell, had moved to Topeka and she was working in a law office there, so we would come down for board meetings together if it was during the week. So that worked out with no problem. But when I was sworn in in January of '76, there was another guy, I should say young, about my age anyway, named John Stites, who was an attorney from Manhattan. His father Jack had been a lawyer here in Emporia for many years and was a very good friend of my father and mother, and I knew John as a

youngster. So he and I were sworn in together because John was from Manhattan and he was taking the seat that had been vacated by Donn Everett. Donn was an attorney from Manhattan who took the seat of Richard Rogers in the Senate, who was appointed to the Federal Bench.

LP: Yes, I once testified at a trial in which Judge Rogers was the judge.

JL: Is that right?

LP: Yes.

JL: Well, Donn Everett was born and raised in Emporia on East Wilman Court. His dad was a dentist here and I grew up with Donn, so I knew him. He was the Republican Majority Leader of the House, and then he went to the Senate. We used to kid him because he went to the Senate and he didn't have any clout at all. He had all kinds of power and clout in the House. But at any rate, he served the end of that term for Rogers and then was elected to serve one term. In the meantime, Stites and I served together and officed together. I guess the point I'm trying to make, connections—someone you knew, someone you could rely on more than trying to talk to some stranger or somebody you didn't know for sure.

LP: You're saying that you developed a circle of people?

JL: Well, you begin to, yes. Yes, you do. And that's true up in the statehouse today. But at that time the Republicans were in the majority.

LP: They were or weren't?

JL: They were. Yes. Pete McGill was Speaker of the House.

LP: In fact, if I recall, since I've lived in Kansas, the Democrats were in charge of the House, I think only once.

JL: Twice.

LP: Twice?

JL: Once John Carlin was Speaker two sessions. And then Marvin Barkis from eastern Kansas—he was a lawyer and he was Speaker for two years. So the Democrats have had the control two different times. An interesting thing, the first one that Carlin was in, I had just gotten up there.

LP: Haven't we had two Carlins that were governor?

JL: No. Just one. John.

LP: OK. That's all.

JL: He was from Smolean, a dairy farmer from Smolean, near Salina.

LP: Later Archivist of the United States.

JL: He did become Archivist of the United States and he just recently was on the Bio-Science Authority until Brownback replaced him last week. Bennett was governor when I was appointed, and so they tried to indoctrinate me some; they conjured up some things in the House. I wasn't very good at speaking; I may have been still at the *Emporia Gazette* or maybe with the bank, but I joined Toast Masters as a young guy to try to get over this and be a better public speaker. So they conjured up something one day—I had to go to the mike, the microphone. In the House of Representatives you did not speak from your desk as they do in the Kansas Senate. The mike in the House was down at, they call it “the well” at the podium, and if you had to address the full body you had to go down there and speak into the microphone in order for the whole body to hear what the heck you were saying. So they got me down there on some pretense and were quizzing me and everything trying to embarrass me, which they did. But I guess they later told

me, well I had to get my feet wet, you know, and so I did. I eventually got to the point where it didn't bother me a bit to address the other 124 members of the House.

LP: Now this was the first session.

JL: This was in the January of '76. I was pretty new then, you might say brand new. And it was a new experience. But I did find this: most everybody was friendly, both sides of the aisle. I had some good friends who were Democrats, still do. And I worked with them as the years went by on issues that might come up, whether it be educational issues or banking issues or what. But the arguments that took place in debate sometimes became somewhat acrimonious; but usually those arguments stayed there.

[End of tape and end of interview 7.]