Memo of Young Interview - November 10th, 1931

Amazing the way this man gives you an impression of being glad to see you, though ~~of today~~ you come into what must have been a grilling day, ~~at~~ the same time friendliness, same sense of leisure, throwing himself back in his chair, head on the top rail; throws me a letter from Governor Roosevelt enclosing one from a curious creature who asks that he look in to the horrible power in the hands of the leaders of the electrical industry. Thinks that they have instruments of death by which they can put one out of life, evidently believes that he was influenced by this mysterious force ~~until he~~ was driven out.

It seems to be a kind of electrical ~~mania~~ M.A.M. similar to the Christian Science influence.

The note from Roosevelt is amusing. "Dear Owen: Let us join forces - rule the world."

Think I better have a copy of this letter. Ask Miss Chandler. The persecution mania that follows a man in Young's position might very well have a few paragraphs. His ideas about them.

Tell him I have been in Boston and have seen Miss Hannah. Heard about Nellie. He asks who I saw in the Tyler office. Says Reynolds was an office boy in his time - has worked his way up. He is pleased evidently that Tyler wants to talk with me./ Hopes that I can see him. Says that he is a mighty interesting individual.

Tell him of going to Lexington. "We moved out there really on account of my health. I'd gotten malaria in the South

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

and Cambridge itself is not without malaria. When we went to Lexington we had none ~~of~~ the near neighbors, no such development around our place. From the verandah you could look all over the valley for we had no large trees, only a fringe of shrubbery.

"Old Mr. Morgan. (This is not right name. Look this up.) used to come up and sit on the verandah and tell us the story of how his grandfather was with the Colonials helped drive out the Redcoats how Lord Percy stationed his cannons there and protected his recruits called from Boston."

Look up this History. Tell him the Ferraldi now use the flat stone where Lord Percy's cannons were supposed to have been placed for a picnic ground.

He evidently remembers the house with much pleasure. "We were very happy there," he said.

I speak of the location of his office - the Law School. Says that Albers doesn't know very much about his time, that the real people were Bennett and Bigelow. Albers after all is a rather second rate person, energetic and enthusiastic - not so frank. Speaks of the men he knew in those days, or heard rather, big lawyers - Russell was leader of his day. (Look this up.)

Tells with gusto the story of Josiah Benton IX (Look up name and spelling.) Benton was a man of the old school, magnificent, wore immaculate frock coats and always carried in his left hand pocket a

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

handkerchief. When he spoke he would take the corner of this handkerchief which always was evidently arranged so that he could get hold of it easily and slowly pull it out until his arm was at full length. It was the biggest handkerchief I had ever seen or heard of, said Mr. Young. It fascinated me. When I had money to spend for things of that sort I asked Mrs. Young to buy me some handkerchiefs. But she never could find them in New York but finally she did get me one in London.

He tells of going to call on Benton in his office at #1 Court Street. He, himself, then was in a little room with nothing but a bare desk and hard chair. It is not in the office I saw up stairs with its splendid view. I had never been in so elegant an office. Benton's furniture was luxurious - spacious. He was most friendly; gave me one of the big chairs and then took out a fine cigar. "Some of the alleviations of a trying profession," he said. He had the grand manner and the proper speech. I bring him around finally to what I am after - picture - cite special case of public utility activity, the kind of thing that led up to his selection by the General Electric. He gave me one of the best analysis of a situation of that kind that I have ever heard. This outline which I am dictating can be filled out with details, also with the quotations, letters, that Mr. Reynolds is securing for me.

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

"When I first touched the public utility or when I first came into the public utility game it was in its second stage, just entering a second stage. At that time the public utility franchises of the great cities had all been corralled, corralloed for the most part by the early radical type. There had been veritable raids on these franchises and they were in powerful hands. They have been in no other way in order to develop these franchises there had to be man in the possibility of electricity who could command capital. They had and were none too scrupulous in their relation to the public. You had the development in New York State under Whitney.

Make outline of this)

"You had the Boston situation.

(See Industrial Commission report of 1900 for relations in Mass.)

"Chicago was under so and so. Philadelphia under so and so. Mr. Brady, a hack driver up in Albany. (Look up Brady's story.)

"When Stone & Webster came in to the game they did not touch then the big cities, but went after the second, or small cities. When I joined them they had taken over, or were investigating, plants in various parts of the country which had been thrown on the market by the panic of 1893. Not a few of these securities had been unloaded by the General Electric at that time. They were

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

rehabilitating these plans where it was possible, securing franchises which would enable them to extend their service. The Tyler firm handled the Middle West, Southern, particularly the Texas interests of Stone & Webster. The situation was typical and interesting in Texas and it was there that I began my work on the firing line of development of public utilities in these small cities.

"When I came in the day of bribery of town councils, state legislators, for franchises or for had passed. It passed not because of the unethical nature of the practice but because it had been found too risky, too raw. In a word it did not pay. Your opponent was pretty sure to find out what you had done and although he might have done the same thing to call you into court it's bribery approved itself an unsafe business agent.

"While I was on the firing line I do not remember that it was ever approached. It was only the old time town counsellors that expected to get something out Up in Milwaukee where I went in working hard to get the kind of franchise I wanted, an old Norwegian who had been for twenty five years on the council. 'What I want to know, young man,' "he said," 'is who is getting the money? There has none come my way. By God I am going to find out. I have always known before.'

"I bristled and said, 'What do you mean? There is no money being distributed and there is not going to be any.'

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

"'Ah!' he said," 'don't give me that kind of talk. No franchise has ever been bought in this town without money and I know it. It can't be done and what I want to know who is getting it.'

"That was my only experience of that nature. The day of bribery in franchises was practically passed.

"But the day of war between the various interests and the various points of view was hot and heavy. Stone & Webster went into Dallas pursuing their policy of developing utilities in small cities. Here before very long they came into conflict in the nature of things with the General Electric.

"The General Electric made and sold electric machinery but to sell it they had to develop the market. There was no ready-made market as now. They made a speciality of developing the markets of the small towns and to do this Mr. Coffin had organized in 1895 (?) the Bond and Share Company. At the head of this was the most aggressive individual - C. Mitchell - able and aggressive. Such was the lack of confidence in the electrical electrical development that those who got the franchise and attempted to develop a plant could get little financial backing, at least part of it had to come from the General Electric which took in return bonds or shares and this holding company was then formed for that kind of work. The General Electric came into Texas and began developing developments in small towns around Dallas - Waco - Watcheho." (Look up map) Ask Reynolds

"The day of the transmission lines had come and

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

See Crocker Interview on Handling of Cook

"In honest man can't deal a crook - quote this"

Digital Image, 2011. The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

Stone & Webster intent on developing the electric interests in Dallas looked forward to the day when the transmission lines might pick up these outstanding towns. Almost before they knew it they were surrounded by the General Electric, obviously the territory could be better served by one system rather than by two. Two were there struggling for position. Each fearful for the financial backing of the other and not knowing what it amounted to. Mr. Coffin of the General Electric had great respect for the financial backing of Stone & Webster, included some of the strongest interests in Boston; Colonel Higginson among them. But Stone & Webster had healthy reppect for what they supposed was the financial of the Bond & Share which was of course Mr. Coffin in the General Electric. It was long continued struggle with many ~~not outside of~~ matters peculiar to ordinary business ~~for these franchises~~ dependent on franchises, which ~~they must control if~~ they were to manage the property were in the hands of town councils. Strong influence came in at that time through Colonel Strickland about to organize the communities in the name of the people. He played with neither, General Electric or Stone & Webster. He was working for the people. Mr. Young came in to conference with Strickland again and again, in court, in negotiation. They fought bitterly but good humoredly and which ever won there was no rancor in the minds of the defeated. They could go out of court or out of the council room on and on. and in any

(Look up Strickland in the letters. Must be something about him there.)

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library,

The legislative anti-trust fervor in Texas was at a boiling point at that time, and there is no doubt that there was a good deal of seeing and arguing with the legislators to persuade them that this or that they were contemplating was not in the interests of the public.

One of the devices employed which Mr. Young speaks of was what he calls zero value franchises, that is, Stone & Webster might be on the point of securing a franchise and the General Electric would succeed in persuading the council to insert a paragraph apparently innocuous but which practically nulified the franchise granted. He speaks of an article by a lawyer of Stone & Webster in the Stone & Webster magazine on Zero Legislation. I think the name is Rufus Robb. (Reynolds will verify this) "Zero Value Franchise" is title of article. (Write Reynolds)

It was a fight and it was a game and it was a fight and gain in which a pledge of the details of each situation and of that Mr. Young always made sure. It was the basic fact of everything that he undertook - the facts in the case, he said, adroitness in manoeuvering, seeing what your enemy was going to do before he did it, intuitive sense of his activity, the eternal patience and equanimity, patience and equanimity which he could never have had if he really was not a man who got a great deal of fun out of a good fight.

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

It was not so easy to keep the game clean, play it according to the sense of what was good taste, what was sound human relations which he believed so essential in whatever you did. But he had a way of persuading and advising when men were inclined to violate ethics and propriety which enabled him to give the kind of handling that he thought proper without offending a would-be violator.

"There was the case of campaign contributions - there was the case of certain Dallas correspondents handling for Stone & Webster real estate. They were counsel for the owners. The corresponding is interesting on both sides."

The Dallas situation was made more acute when Stone & Webster secured franchises in Fort Worth and built a transmission line which cost the of the encircling utilities with which the General Electric had surrounded Dallas.

It was in the difficult situation which arose out of this ~~call for control of the utilities of the region~~ that Mr. Young first saw Charles Coffin.

Coffin was a great name in the utility field - a great name with Boston bankers for some of the best of them were on the General Electric Board. An extraordinary way in which he handled his business, and developed it. Was one of the wonder tales of business in those days. Stories of him were part of the gossip of Boston and New York financial, manufacturing and electrical circles. His shyness, his far-seeing, boldness,

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

likeableness. (See Hammond manuscript. Look biography.)

Mr. Young says that his first impression of Coffin when he saw him here in New York was that - how different he looks than from what I thought.

He thinks that, though he says he does not know, Mr. Coffin asked Mr. Dwight Morrow to take Parson's place before he asked him. Morrow was with the firm of Simpson, Thatcher & B L S He had been counsel for Mitchell in the General Electric. Mr. Young had met him often. particularly in the Texas negotiation. Speaks of him as Dwight - familiarly. He has been told, though he does not know, that Coffin invited Morrow in but that Morrow after consideration decided that he would rather be outside - freer - more general backing.

Thinks that Coffin is looking around, probably consulted Mitchell and the Boston trustees of the General Electric, including Robert Treat Payne, Colonel Higginson. (See list in Hammond.)

Suggests that I ask Mitchell if it is true that Coffin invited Morrow in after Parsons death. He prefers not to do that himself.

He says that after he worked in the General Electric that Mr. Morrow came in one day to talk with Mr. Coffin and himself, Mr. Young, about whether or no he should accept the proposition of Mr. Morgan to go into that firm.

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.

We talk until a quarter of four when he has to leave to go and see the Mayor. Says the Mayor, I think, wants me to take the head of the Committee handling all the unemployment money. I am not going to do it. I think they have been stung by the criticisms of their management and want to protect themselves. I remarked that they ought to have thought of that sooner.

Throw in my pet idea and say that Al Smith sould be Mayor of this town. He agrees heartily. It would be the greatest service that could be done. He would have done a great piece of work.

I speak of the way he seems to be wasting himself. "Yes," he said, "a second rate business executive, spending himself here when this man is the greatest political genius of our time. Mis-placed men - what a tragedy. An Engineer in the White House, with no equipment but that of an engineer.

Here is a chance to make a point, quoting his letter on the necessity of a great engineer being something more, as a great lawyer is something more. I asked him if he arranged that first program for the unemployment campaign. Tell him that it was the greatest service that has ever been rendered to Hoover.

Well, he said, "Didn't you hear my speech?" I did not - did not know that he had made one in fact and he said, "Well, now that is a good speech. You must have it" and he took me in to Miss Chandler. It is a good speech and a very interesting point which he shows in dictating this. He has taken the result and very carefully in pencil corrected freely.

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library

He asked Miss Chandler to make me photostats of two or three of the pages of corrections, as an example of the care he takes in the thing he is going to use. There is a clipping which should be used with this. (See notes.) She sends me ~~this morning~~ this a.m., somebody intimating that here, if he is ever a candidate will be his approach to the people. He'll campaign over the radio. His method as a radio speaker I have already commented on. It is a good point. It is the first time that I have ever realized how he might reach the public, because I did not see him barn-storming in speaking from the end of a train in the Al Smith manner, but he can do it over the radio.

A thing to note in this handling of the Texas matter is that he never seems to have sacrificed the fundamental principles in the situation - legal and ethical - to temporary advances. This is conspicuous in all his handling now of public questions so far as I have noticed. Senses that everything undertaken is a growth, that it is not quickly or definitely handled, that you put back the growth, stunt it, if you use opportunists methods. This is sacrificing immediate political good for the long chance. It is playing Lincoln's game.

Note in connection with patience that Frank Stearns says, that Calvin Coolidge and Owen D. Young are the two most patient men that he ever knew.

Digital Image, 2011, The Ida M. Tarbell Collection, 1890-1944, Allegheny College Pelletier Library.