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## A Survey of Press Opinions on the Billie Sol Estes Case as Reported Through News Releases

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A SURVEY OF PRESS OPINIONS ON THE BILLIE SOL  
ESTES CASE AS REPORTED THROUGH NEWS RELEASES



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A SURVEY OF PRESS OPINIONS ON THE BILLIE SOL ESTES CASE  
AS REPORTED THROUGH NEWS RELEASES

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A Thesis  
Presented to the Graduate School  
of Prairie View Agricultural and Mechanical College

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In Partial Fulfillment of the  
Degree of  
Master of Science

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by  
Esther Johnson Tyler  
August 1967

A SURVEY OF PRESS OPINIONS ON THE BILLIE SOL ESTES CASE  
AS REPORTED THROUGH NEWS RELEASES

By

Esther Johnson Tyler

APPROVED BY:

Adviser

August 2, 1967  
Date



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that is supposed to be the sort that produces solid-plain honest people--the kind often referred to as the salt of the earth--his involvements have been the test of widespread reporting. His endeavor to acquire riches--the business transactions in which he engaged and their apparent success and failure--is the test upon which this writing is founded. This is a survey of the opinions of the masses of the unscrupulous and fraudulent business involvements in the Billie Sol Estes case.



## Statement of the Problem

### CHAPTER I

It was the purpose of this study (1) to compare the

#### INTRODUCTION

of the Before undertaking the survey of press opinions on the Billie Sol Estes case, it was imperative that his background be reviewed. He is one of six children reared by hard working parents on a prairie farm in Clyde, Texas. He made up his mind early in life that he was going to be rich. By the age of eighteen, he had built his flock of sheep to a \$38 thousand bankroll--and never looked back.

Because Billie Sol Estes grew up in an environment that is supposed to be the sort that produces solid-plain honest people--the kind often referred to as the salt of the earth--his involvements have been the text of widespread reporting. His endeavor to acquire riches--the business transactions in which he engaged and their apparent success and failure--is the text upon which this writing is founded. This is a survey of the opinions of the press on the unscrupulous deals and fraudulent business involvements in the Billie Sol Estes case.

## Statement of the Problem

It was the purpose of this study (1) to compare the types of reporting by various newspapers versus periodicals representing all economic groups with respect to the facts of the Billie Sol Estes case, and (2) to show that governmental intervention was necessary in the Billie Sol Estes case.

## Importance of the Study

Our American society is based on an economic philosophy--the doctrine of laissez faire. This is the economic philosophy generally subscribed to several decades ago. During the past four decades, however, political government has been so busy eliminating monopolies that many people

question whether capitalism is the proper designation for

our system. Monopolies tend to develop because pure competition is not always practiced. However, there are undertakings in which competition is not socially desirable.

To preserve the virtues of the present system, it is essential that no group or combination of groups be permitted



to use government for the purpose of regulating prices or control for their own advantage, and to the detriment of the public. A balance of national power arising from and representing all economic groups must be maintained. Therefore, it is even more important that individuals, in the

various economic groups and their leaders, be increasingly motivated by a real interest in the economic well-being of all persons who live within the society.

Thus, a survey of the press opinions on the Billie Sol Estes case as reported through news releases in regards to interactions, transactions, involvements, and outcome is of significance to our understandings of free enterprise in our capitalistic society.

June 18, 1967.

#### Method of Procedure

A survey of the opinions of the press on the business ethics--unscrupulous deals and fraudulent business practices--as reported in Syndicated articles, Associated Press, United Press, and United Press International releases. For purpose of this study, coverage was limited to the following

information dated back to 1962, microfilm was the only sources available for verification of data.

newspapers: The Houston Chronicle, The Houston Post, and The New York Times. The periodicals used included the following: Business Week, Life, Nations, The New Republic Newsweek, Readers' Digest, The Saturday Evening Post, Time, and U. S. News.

A total of 135 newspaper clippings and more than sixty periodical releases were collected, analyzed, and compared in making this study. Two yearbooks, several books, and other reference materials were also used.

The time element involved in this survey covered the period from March, 1962 (when the Department of Agriculture started investigations into Estes' cotton allotments) to June 18, 1967.

A survey of the opinions of the press on the business ethics--unscrupulous deals and fraudulent business involvements which extended from Texas to Washington--grew out of research on business scandals and illegal business practices during a study of business law in 1962. Because most of the information dated back to 1962, microfilms were the only sources available for verification of data.

## Fraud.      Definition of Terms

The following are definitions of terms as they are used in this study:

Anhydrous ammonia. A liquid fertilizer usually stored under pressure in tanks.

Cotton allotment. Federal authorization given to farmers to grow specified acres of cotton.

Defaulted. Failed to fulfill the contracted agreement--paying for the anhydrous ammonia tanks.

Eminent domain. The residual right of the United States, a state, county, city, school, or other public body to take private property for public use, upon the payment of just compensation. Eminent domain is distinguished from governmental power to take private property by limiting its

John Lee's Mississippi Scheme. A plan to develop use in order to eliminate nuisances.

Favoritism. Manifestation of partiality by the Department of Agriculture to Estes by his appointment to the Cotton Advisory Committee.



Fraud. An intentional misrepresentation of the truth for the purpose of deceiving another person. The following are elements of fraud: (1) false representation of facts, not opinions, intentionally made; (2) intent that the deceived person act thereon; (3) knowledge that such statements would naturally deceive; and (4) that the deceived person acted to his injury.

Grain storage. An agreement whereby the United States Department of Agriculture regulates the price of grain by buying the surplus, when there is a surplus, and storing it until there is a shortage and then releasing the supply or using it for its related needs. This practice helps farmers maintain a fair price for grain. The grain is stored in elevators and warehouses leased from individuals and firms for this purpose.

John Law's Mississippi Scheme. A plan to develop resources of the Louisiana province (Mississippi Valley). The proceeds from the sale were intended to retire the notes of a bank founded in France by John Law, the chief schemer. The bank and subsidiary company failed in 1720 when too

much paper was issued (over speculation) causing a financial crisis.

Philosophers' Stone. An imaginary stone, substance, or chemical preparation, believed to have the power of transmuting the baser metals into gold and much sought after by the alchemists.

body knows that the... United States... 100,000... was allotted to... infiltrated... the facts of...

The... endeavor;... be cooperative... coverage of... the foreign... on a... salability... zinc... facade...

Table I shows the descriptive words that were used in a sample of sixty news headlines during the months of April, May, and June, 1962 as follows:

CHAPTER II  
COMPARATIVE ANALYSES OF NEWS RELEASES  
ON THE BILLIE SOL ESTES CASE

One news source stated, as a "matter of fact," everybody knows that any mammoth organization the size of the United States Department of Agriculture, which employs some 100,000 employees and handles a \$7.2 billion budget as it was allotted in 1962, is bound to be pressured and even infiltrated by some smart operators. The presentation of the facts of this infiltration is worthy of comparison.

The printing of publications is a profit-making endeavor; in order for a business to make a profit, it must be competitive with its surrounding firms. The nationwide coverage of the Billie Sol Estes case had to compete with the foreign affairs, political affairs, and social affairs on a broad scale to command readers, and to maintain the salability of the printings. Thus, the out-of-state magazines and other publications approached the case with more fanfare, dramatics, and eye-catching headlines--descriptive words.



Table I shows the descriptive words that were used in a sample of sixty news-released headlines during the months of April, May, and June, 1962 as follows:

TABLE I

DESCRIPTIVE WORDS USED IN HEADLINES TO DRAW  
ATTENTION TO THE BILLIE SOL ESTES CASE  
APRIL-JUNE, 1962

| NEWSPAPERS    |                      | PERIODICALS |                   |
|---------------|----------------------|-------------|-------------------|
| Words         | Number of Times Used | Words       | Number Times Used |
| Case          | 6                    | Scandal     | 5                 |
| Hearing       | 2                    | Mess        | 2                 |
| Inquiry       | 1                    | Affair      | 1                 |
| Investigation | 1                    | Cinderella  | 1                 |
| Report        | 1                    | Corruption  | 1                 |
| Take          | 1                    | Jitters     | 1                 |
|               |                      | Bumpkin     | 1                 |

Although, the newspapers and periodicals used the same number of descriptive words in their headlines, the choice of words used by the newspapers were more diversified than those used by the periodicals.

Ten per cent or one tenth of the newspapers used the word "case" most frequently. While, "scandal," was used

eight per cent or one-twelfth of the times by the periodicals sampled.

The words showing the next highest frequency of use were "hearing," and "mess" in newspapers and periodicals respectively, each appearing in two instances.

Other words listed in the table by the newspapers as having been used only one time were, "inquiry, investigation, report, and take." This represented a total of twelve of the twenty-six newspapers sampled. The other fourteen used no descriptives in reference to Estes and his involvements.

The following list of words were used once by the periodicals: "affair, Cinderella, corruption, jitters, and bumpkin." A total of twelve of the thirty-four periodicals sampled used descriptive words in reporting the involvements of Billie Sol Estes. The remaining twenty-two headlines used no descriptive words.

Although, the newspapers and periodicals used the same number of descriptive words in their headlines, the choice of words used by the newspapers were more conservative than those used by the periodicals.

Even though the sampling of headlines included only a few articles written in April, 1962, the following table

shows a comparison of the words used to focus attention on the Billie Sol Estes case.

TABLE II

NEWSPAPER HEADLINES VERSUS PERIODICAL HEADLINES  
APRIL, 1962

| NEWSPAPERS                            | PERIODICALS               |
|---------------------------------------|---------------------------|
| Estes' Case Stirs Politics            | Finance Companies Fleeced |
| Estes' Home Town Jarred<br>by Charge  | New Scandal in Washington |
| Estes' Interest in<br>Grain Depicted  | Winning by Losing         |
| A Texas Company Key to<br>Estes' Case |                           |

Newspaper Articles - April, 1962

As Table II shows, headlines in the Billie Sol Estes' case stirred politics and politicians in the state. It was speculated, with the upcoming 1962 election, that the case would cause widespread disaster in the state. It was also reported that, during one investigation, the Potter



County Sheriff said, "This case has more sides than a porcupine has stickers."<sup>1</sup>

Jarred by the charges made against Estes, a local citizen said that, "Billie Sol Estes has not done anything more than hundreds of other men who have not gotten caught."<sup>2</sup>

When Estes stored grain in his elevators and warehouses leased by the Department of Agriculture, the farmers received a price of \$1.89 a hundredweight against the, then current, open market price of \$1.65 a hundredweight. This was one of the factors which led reporters to declare that the grain storage business was "lucrative."<sup>3</sup>

Imaginary Tanks. Billie Sol Estes and Superior Manufacturing Company would "sell" a tank, frequently one that did not exist, to a farmer on the installment plan. At the same time they would lease the same tank back from the farmer.

Superior is said to have paid the farmers a rental fee equal to the original cost of the tanks, thus there was

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<sup>1</sup>The New York Times, April 25, 1962, p. 19, col. 1.

<sup>2</sup>Ibid., April 28, 1962, p. 12, col. 2.

<sup>3</sup>Ibid., April 29, 1962, p. 44, col. 3.

no cost to the farmers. A ten per cent commission on the deal was given to some of the farmers who signed the contracts. Other farmers whose names appeared on the contracts said that they had never signed them nor authorized the use of their names.

Those contracts were used by Estes as proof of the existence of the tanks and he mortgaged the "holdings" for a total of more than \$20 million to twelve finance companies.

Of the total number of finance companies involved, the following six were publicly owned with stock traded on the New York Stock Exchange: Pacific Finance Corporation, a subsidiary of the Trans-American Corporation; Walter E. Heller and Company; CIT Financial Corporation; Commercial Credit Corporation; the First Acceptance Corporation, a subsidiary of James Talcott, Inc.; and the Associates Investment Company.<sup>4</sup>

Periodicals - April, 1962

As the news media gathered information and the investigations continued, the wordings used to describe the incidents

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<sup>4</sup>Ibid., April 25, 1962, p. 19, col. 1.



and provoke interest also grew and, unlike the newspaper articles, became more dramatic. Such were the headlines used in the periodicals during April, 1962.

Business Week was no exception to this rule. The magazine approached the facts of Estes' involvements using a headline stressing his "fleecing" finance companies. A glaring account was given of how Wall Streeters and State Streeters were swindled by the Texas born promoter.<sup>5</sup>

After summations of the investigations into the Billie Sol Estes case by the Department of Agriculture, there was speculation in Washington that the "Estes Affair" could develop into a major scandal.<sup>6</sup>

Amid the detailed facts and figures of the Billie Sol Estes case, there were moments of laughter and jokes, such as the following:

Beside the legal fees, the Estes tanks have resulted in a raft of new jokes. For example, last Sunday was known in West Texas not as Easter Sunday, but as Estes Sunday, and children hunted for tanks not eggs.

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<sup>5</sup>"Finance Companies Fleeced," Business Week, a call April 7, 1962, p. 36.

<sup>6</sup>"New Scandal in Washington?," U. S. News, 52:6, April 30, 1962.

<sup>7</sup>The New York Times, April 23, 1962, p. 19, col. 1.



The tanks are sometimes referred to as amnesia tanks, because farmers can't remember where they are.

Also, instead of "no, thanks," people in these parts are prone to say "no tanks."<sup>7</sup>

While investigations and inquiries continued on the Billie Sol Estes case, more articles were written and more and varied opinions were reported as shown in Table III.

#### Newspaper Articles - May, 1962

During the month of May, 1962, the newspapers, unlike the periodicals, continued to concern headlines mostly with facts.

An accountant, who kept many of the farmers' books and convinced them to sign contracts for the liquid fertilizer tanks, committed suicide after the Estes case broke.

As cotton became an issue in Texas, Estes faced a Civil Antitrust suit because of his cotton allotment transfer and acquisition of illegal titles violated Texas laws.

Meanwhile, the certified public accountant who submitted a rosy audit of Billie Sol Estes' finances, is reported to have destroyed his working papers after a call from someone in Estes' organization.

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<sup>7</sup>The New York Times, April 25, 1962, p. 19, col. 1.

TABLE III

NEWSPAPER HEADLINES VERSUS PERIODICAL HEADLINES  
MAY, 1962

| NEWSPAPERS   | PERIODICALS  |
|--|--|
| Estes' Town Area Shaken<br>By Case                                   | The Taut Miles from Pecos<br>Tauter and Tauter   |
| Cotton Becomes an Issue<br>in Texas                                  | Decline and Fall   |
| Estes Faces a Civil<br>Antitrust Suit                                | Another Scandal That<br>Touches Washington   |
| C. P. A. Destroyed Papers<br>After Rosy Estes Audit,<br>Probers Told | Behind the Billie Sol Mess<br>Big Operator Billie Sol  |
| LBJ Wrote "Dear Billie"<br>Estes Letter                              | Billie Boy from Pecos  |
| Jury to Fight for Full<br>Estes Report                               | The Estes Affair--It<br>Grows and Grows  |
| Marshall Jury Takes<br>Estes Report Excerpt                          | Billie Sol: The Scandal<br>Grows   |
| Marshall Death Mystery<br>Grows Despite Grand<br>Jury Investigation  | Estes Jitters Spread<br>From Washington Straight<br>In Government, It's Be<br>Pure and Look Pure |
| Robertson Jury Hears<br>Pathologist                                  | It's Bigger Than Billie Sol<br>People of the Week  |
| Hands-Off Note Read in<br>House Estes Hearing                        | Strange Story of Too Much<br>Grain   |

After Rosy Estes Audit, Probers Told, The Houston Chronicle,  
May 30, 1962, Section 4, p. 4.



The Department of Agriculture had proposed to increase the bond that Estes was required to put up to store grain from \$700 thousand to \$1 million. The department wanted to see the working papers to check the figures on notes payable against information contained in its reports. The auditor stated Estes' net worth at \$13.7 million which was more than the amount required to keep the bond at the lower level.

Another aim of the investigations into Estes' complex operations was to learn whether his jerry-built business empire was constructed on a foundation of governmental influence.<sup>8</sup>

The explanations disclosed that the letter Billie Sol Estes received from the vice-president elect (December 28, 1960) was in reply to a letter from Estes recommending another Texan for a political appointment in Texas. The letter went out over Vice-President Johnson's signature to

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<sup>8</sup>W. B. Ragsdale, Jr., "C. P. A. Destroyed Papers After Rosy Estes Audit, Probers Told," The Houston Chronicle, May 30, 1962, Section 4, p. 4.

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<sup>9</sup>News item in The Houston Post, May 30, 1962, Section 1, p. 10.



to "thousands" of persons in Texas in answer to requests for appointment.<sup>9</sup>

Periodicals - May, 1962

Reporters for the magazines continued wide coverage of the Estes case by delving into the extensiveness of his involvements all over the nation.

Even by Texas standards, Billie Sol Estes stood out as a spectacular example of a man who got very rich very quick. At the age of thirty-seven, he either owned or was a partner in some three dozen businesses, including grain storage facilities, a fertilizer firm, cotton, a newspaper, and even a funeral parlor. His holdings were varied as well as numerous.

Estes lived with his wife and five children in the most lavish house in the town of Pecos. His home had palm trees out front, a fifty-two foot living room with an artificial waterfall at one end, a forty-five foot swimming pool, and barbecue equipment capable of roasting three steers at one time.

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<sup>9</sup>News item in The Houston Post, May 30, 1962, Section 1, p. 10.

Despite Estes' "worldly" success, his huge barbecue parties, and his orchid-colored Cadillac; he retained many traits from his humble Bible background. His religion is said to be the stem from which a large part of his public image grew. He never drank, never used profanity, never smoked, and frequently served the Church of Christ as a lay preacher. One of his rules was that males and females, children included, could not swim in his pool at the same time unless they were married. When the local junior high school had dances, the Estes usually had a lavish party on the same night--hoping to divert the youngsters from the sin of dancing.

However, it turned out that he had a couple of bad habits, too--and one evening in March, 1962 the FBI agents arrested him. West Texas was swarming with investigators trying to untangle a web of deceit, fraud, and corruption that the reporters claimed stretched 1.5 thousand taut miles to Washington. One of the major discoveries was that guesses about the size of Estes' fortune had been unreasonably overstated for the purpose of deceiving and was fantastically



inaccurate; far from being worth \$150 million, or even \$1 million, he was approximately \$12 million in the hole.<sup>10</sup>

As the miles between Pecos, Texas and Washington grew "tauter and tauter" during the investigations, disclosures were made that the scandal was getting hotter and hotter. Denials and confirmations were made in regard to gift giving and acceptances, Estes' having the lowest possible rate required for grain-storage operations, and setting his crop allotments while he was under investigation by the agency.<sup>11</sup>

Estes was said to be a bundle of contradictions and paradoxes who made Dr. Jekyll seem almost wholesome. He considered dancing immoral, but he ruthlessly ruined business competitors, practiced fraud and deceit on a massive scale, and even victimized church schools that he was supposed to be helping as a fund raiser or financial adviser. He pursued money relentlessly, but despite his energy, his

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<sup>10</sup>"Texas: The Taut Miles from Pecos," Time, 79:22-23, May 11, 1962.

<sup>11</sup>"Investigations," Time, 79:21, May 18, 1962.



ingenuity, cunning ways, and a dazzling gift of salesmanship; he ended up not only broke, but hopelessly in the red.

Like the Murchisons, who are great believers in borrowing money to make money, Estes branched out into other businesses from cotton and cheap housing--to selling fertilizer and farm implements, digging wells, lining irrigation ditches, and providing other agricultural services.

Estes was frank about he wanted to get as rich as the Murchisons, the most famous of Texas big-rich clan. One of his basic concepts was that he could profit by handing out presents--a car, a suit of clothes, and a thousand dollars in cash--so the recipient would be under an obligation to do him future favors. Another notion was that when a debt gets big enough the creditors acquires an interest in the survival and prosperity of the debtor.

Billie Sol Estes was named by the Junior Chamber of Commerce as one of the ten outstanding young men in America. As he grew older, he became even more outstanding despite the fact that his financial empire was located in one of the driest parts of Texas. He was clever enough to top the big note discounters and other cashiers of installment papers in

Chicago and New York for millions. Billie Sol Estes acquired financial support in one of the most grotesque episodes ever to be reported in West Texas, according to reports. To revenge the deed, Estes set up a rival paper which operated at a loss.

Too Garish Even for Texas. Predictions were that Estes' empire was bound to collapse sooner or later under the weight of its accumulating deficits. But everyone admits that while the empire lasted, it caused many people to become involved with Estes. Time gave this account of Estes:

But for all his aura of wealth and power, Billie Sol remained a somewhat ridiculous figure; the inner bumpkin kept showing through. One acquaintance recalls him as "the kind of a man whose lapels always seem a little too wide." He sported a diamond stickpin that seem garish even in Texas. He was constantly stumbling into grotesque situations. Invited to Governor Clement's second inaugural in 1955, he was the only guest to show up in the ornate regalia of a Tennessee colonel. In 1956 he made a fool of himself by trying to persuade the president of a Pecos bank to help finance a wacky scheme to help Adlai Stevenson with the election. Under the Estes plan, large schools of parakeets, trained to say "I like Adlai" in unison, would fly over United States cities. When the banker tried to tell Estes that parakeets could not be trained to say "I like Adlai," much less say it in unison, Estes got purple-angry, accused the banker of being anti-Stevenson and stomped out.<sup>12</sup>

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<sup>12</sup>"Investigations," Time, 79:24-29, May 25, 1962.



When Estes ran for a place on the local school board in 1961, he lost to a write-in candidate. The local paper, the twice-weekly Independent, had opposed him for the school board post. To revenge the deed, Estes sat up a rival paper which operated at a loss.

Estes' thumbs were in many pies, but chiefly in three kinds: storage facilities--this was the enterprise that ran into millions of dollars; ammonia fertilizer--all sales apparently on credit and in such a way that it actually paid the farmers cash money to buy tanks from Billie Sol Estes. This was the side of his operations that pained the Eastern financiers, who extended him credit; and cotton allotment--this was the enterprise that stirred up some dust in Washington.

Billie Sol Estes was referred to as the "boy wonder" of the State of Texas, because his apparent wealth opened important doors to him.

Politically, Estes is reported to have contributed between \$100 and \$200 thousand a year to politics. On one occasion, \$145,015.14 in cash was drawn, by him, before he



went to Washington for the big Democratic dinner celebrating the first anniversary of the Kennedy Administration.<sup>13</sup>

One of Many. The Estes case has caused people all over the country to question whether the nation may not turn out to have more "Billie Sols" who have sprung up during an era of inflation and lavish credit.

An investment adviser in Texas had this to say; "This idea that an empire can be built on borrowed money and purchased political influence is a virus of the mind in this part of the country."

Politicians and governmental officials learned bitter lessons from the rise and fall of Billie Sol Estes. This is also true of business men in Texas and elsewhere who are now left holding the payments. To many people, Billie Sol Estes appeared as a model young man--a modern-day Horatio Alger hero who never tired of telling how he got his start.

As investigations dug into the collapse of a multi-million dollar financial empire, built by Estes, charges and accusations spread from Pecos into Washington and elsewhere.

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<sup>13</sup>Ibid.

It was recalled that Estes once said, "you have to walk out on a limb to the far end--for that's where the fruit is. If it breaks, you learn how far to go next time."<sup>14</sup>

A sweeping investigation of the entire federal farm program seemed apparent from the burgeoning case of Billie Sol Estes' scandal.

President Kennedy stood by his Secretary of Agriculture as he was attacked during the Billie Sol Estes investigation. Mr. Freeman's fastidious personal honesty was evident. The President also made the political point that it was his administration, on April 5, 1962, that indicted this "ubiquitous cowboy of commerce."<sup>15</sup>

Estes' Grain Storage Operations. In February, 1959, Estes got his first license to store Government grain in a warehouse capacity of 2,960,000 bushels. Between February, 1959 and March, 1962, Estes collected Government payments totaling \$7.6 million for storing surplus grain. In 1961 alone, he collected \$3.5 million.

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<sup>14</sup>Ibid.

<sup>15</sup>"People of the Week," U. S. News, 52:15, May 14, 1962.



The Department of Agriculture said it was common practice for a person to get into the grain-storage business with little or no capital. If a person can find a financial backer, the Government will allow him to be licensed to store grain and then assign his payment to his creditor. Estes used \$25-50 thousand of his own money to buy his first grain elevator and Commercial Solvent, a manufacturer of anhydrous-ammonia fertilizer loaned him \$225 thousand. The Department of Agriculture's records in Washington are reported to show that Estes assigned his Government payments for storing grain to Commercial Solvent.

How the Granary Plan Worked. The idea of the normal granary was that the Government would siphon surplus farm products off the market in years of high production and sell them back to the market during years of low production. This necessitated setting up the Government storage program. Most of the storage has been provided by commercial warehouses under contracts with the Government. To get commercial warehousemen to expand their storage space, incentives, such as fast tax write offs and loans guaranteed by the Government, were offered.



Even though the Government storage program was well supervised, Estes found a loophole and was accused of storing more than his share of grain.<sup>16</sup>

NEWSPAPERS

PERIODICALS

News Releases - June, 1962

As Table IV shows, news releases during June, 1962 dealt mostly with details in depth on the Billie Sol Estes case. Thus, a detailed analysis is not made of this table in this chapter in order to avoid repetition of the legal involvements in the Estes case.

The axiom that history repeats itself, is further reiterated by the comparison of Billie Sol Estes' involvements and recorded historical schemes of the past. Johnson gives an interesting superficial aspect of Estes as follows:

Whenever we discover anew what suckers we are, we stand astonished, forgetting what suckers we always were. The episode of Billie Sol Estes, for instance, has been treated by a segment of the press as incredible, unique, out of this world, whereas it is really a third-rate version of an old and threadbare story. It goes back to, at least 1720, when John Law's Mississippi Bubble burst, and has since been repeated by various characters many of them more spectacular than the Texan from Pecos County.

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<sup>16</sup>"Strange Story of Too Much Grain," U. S. News, 52:4, 53-54, May 28, 1962.

TABLE III

## NEWSPAPERS VERSUS PERIODICALS DURING JUNE, 1962

| NEWSPAPERS                                    | PERIODICALS                              |
|---|--|
| Estes Said H'd Go to Higher Ups               | Back to A One-Paper Town                 |
| USDA Men Admit to Estes Take                  | Behold Cinderella                        |
| 3 More State ASC Men Called to Estes Inquiry  | Five Bullets, 500 Creditors              |
| Lack of Communications Blamed in Estes Report | Freeman Bill Is No Help Even to Farmers  |
| Marshall Death Wasn't Suicide, DPS Convinced  | Front Page of the Week                   |
| Wilson Seeks to Tie Others to Estes Case      | House of Cards Estes Built               |
| Senate Probers to Call 60 for Estes Hearing   | How Billie Sol Used the Farm Program     |
| Freeman Assumes Estes Errors Blame            | How We Exposed Billie Sol Estes          |
| Estes Asks For, Gets Quick Trial              | Insolvent Billie Sol                     |
| Freeman to Testify in Estes Case              | Investigations; The Estes Scandal        |
| Continuance Asked in Estes Fraud Case         | Long Way to Go                           |
| Estes' OK Allotment Kill Linked               | On Corruption                            |
|   | On the Griddle                           |
|   | Raising the Court                        |
|   | Scandal Hot as a Pistol                  |
|   | A Man Mired in the Incredible Estes Mess |
|   | Bumpkin Who Turned Into a Warped Wizard  |



More significant, and to a superficial observer more interesting, is Billie Sol Estes' demonstration that romance lurks in the hearts of our tycoons. If newspaper reporters are correct, the people he really burnt were neither the bureaucrats, nor the horny-handed sons of Texas soil, but the managers of lordly financial institutions, Wall Streeters, State Streeters, and the like.

It has been quite a while since we had so startling a revelation that belief in the reality of fairy godmothers and magic wands may survive in the human heart through long years of training rigorous enough to bring a man to a position of high authority in a big bank, trust company, or investment house.

Billie Sol proved it. True, his method was adopted to modern times, but his lure was the same. He proposed by magic to avoid the long and arduous labor necessary to create real values, which was precisely the function of the Philosophers' Stone with which the alchemist proposed to transmute base metals into gold.

It is highly probable furthermore, that he believed his on bunk, at least in part. Highly successful imposters nearly always do. His magic wand, of course, was no stick of any material. It was his own financial genius in whose existence he probably had, and certainly induced in his victims, a faith as implicit as Cinderella's.

Bad business, yes, but not altogether too depressing to contemplate. It is not a wholly materialistic world when there lingers even in Wall Street a belief in fairies, when even in State Street men can dream.<sup>17</sup>

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<sup>17</sup>G. W. Johnson, "Behold Cinderella," New Republic, 146:14, June 4, 1962.



### CHAPTER III

#### LEGAL ENDS IN THE BILLIE SOL ESTES CASE

##### Congressional Hearings

Billie Sol Estes told the Department of Agriculture May 18, 1962, that seventy-six Federal agents were visiting investigators that if any government official, big or little, tried to thwart his multimillion-dollar cotton acreage juggling he would personally bring it to the attention of the Secretary of the Department and also President Kennedy, if necessary.

Three weeks later Estes was appointed to the National Cotton Advisory Committee, a newly created top-echelon agency of the Kennedy administration.

According to a report on Estes' dealings, his agents also attempted to invoke his Washington political connections. Estes and his associates made it plain to investigators that he had "nearly \$2 million involved" in his cotton scheme--and he would "not sit idly by while someone renders

a so-called legal decision" that would crush his high hopes of profiting immensely.<sup>1</sup>

Despite Estes threat, congressional hearings delved into his Government's cotton-allotment program and his huge grain-storage "mess." President Kennedy announced, on May 18, 1962, that seventy-six federal agents were working on the case and said, "This Government is staying right on Mr. Estes' tail."<sup>2</sup>

The disclosure of Estes' operations together with charges of favoritism shown him by the Agriculture Department led the demand for further inquiries. The Senate-House Investigating Subcommittees started closed door hearings beginning on May 21, 1962.

The investigators were surprised with a rich variety of details. But, they centered their attention on charges of favoritism by the Agriculture Department on three conditions: the slowness with which the department acted on

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<sup>1</sup>An item in The Houston Post, June 1, 1962, Section 1, p. 9.

<sup>2</sup>United States Congress, Congressional Investigation, "Congress and the Nation: Billie Sol Estes," The Congressional Quarterly, 1945-64, p. 1760.



Estes' peculiar allotment agreements; the appointment of Estes to the National Cotton Advisory Committee although his allotment dealings were under question and he had been fined \$40 thousand for violations; and failure to increase the \$700 thousand bond required for Estes' grain storage as his business had grown.<sup>3</sup>

Senate Permanent Investigations Subcommittee. The Senate probers, under the chairmanship of Senator McClellan, called sixty persons for Estes' hearing. The Department of Agriculture was the focal point, but the informants and other agency officials were investigated.

The subcommittee announced that it chose a scrutiny of Estes' get-rich-quick manipulation of federal cotton farm aid program as the springboard. It promised to make a thorough investigation designed to produce facts irrespective of whose political fortunes were hurt or helped, and show no favor to either parties.<sup>4</sup>

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<sup>3</sup>Ibid., pp. 1779-80.

Houston Post, June 7, 1962, Section 1, p. 10.

<sup>4</sup>Associated Press dispatch, The Houston Post, June 24, 1962, Section 1, pp. 1, 8.



Two Oklahoma Agriculture Stabilization and Conservation Service employees confessed to the Senate investigators that they had lied earlier about taking Billie Sol Estes' money. They admitted having received and split the \$1,640.80 sent to them after they furnished official information to Estes' agent looking for cotton allotments that could be transferred to Estes' land in Texas. They also admitted that they had failed to include the money in their income tax returns.<sup>5</sup>

Secretary of Agriculture Orville Freeman, told the Senate investigators that he assumed the blame for the Estes' errors. However, he said he had dealt with those in his employ who acted improperly, and he had taken action or was taking action to remedy various shortcomings in the department's procedures. The following are four of the steps he took to "tighten up management and increase efficiency" since the Estes case came to his attention:

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<sup>5</sup>Felton West, "USDA Men Admit to Estes Take," The Houston Post, June 7, 1962, Section 1, p. 10.

<sup>7</sup>Ibid., July 12, 1962, Section 2, p. 11.

1. Established an audit and investigation unit to make investigations throughout the department and report directly to him.
2. Took steps to co-ordinate and improve bonding policies and procedures.
3. Took steps to strengthen supervision of local committees and other field operations.
4. Created a subcommittee to study the whole system of farmer-elected county committees and appointed state committees which will administer farm programs.<sup>6</sup>

The way the Agriculture Stabilization and Conservation Service functioned was severely criticized by the chairman of the Senate subcommittee. At one point during the hearings he said, "this appears to be the most looseknit confederation of something, I don't know what," as one of the officials described the working of the system and what had been done about Billie Sol Estes' allegedly illegal cotton allotment transfers.<sup>7</sup>

The Agriculture Department officials in Oklahoma, Texas, and Washington were criticized for muffling chances to catch up with Estes' allegedly illegal cotton allotment

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<sup>6</sup>Ibid., June 29, 1962, Section 1, pp. 1, 7.

<sup>7</sup>Ibid., July 12, 1962, Section 1, p. 11.



transfers sooner than they did. The department also drew criticism for failure to make an Oklahoma employee aware of a conflict of interest regulation regarding the case. The subcommittee asked an official if he could not have contacted the farmers whose allotment transfers were in question and was informed that he was "snowed under" and did not have time.<sup>8</sup>

The Senate investigators were told that Billie Sol Estes was the only person who received an appointment to the Cotton Advisory Committee after he had been rejected. He was approved for and appointed to the committee on the same day his cotton allotment was cancelled. This was the 1961 allotment for 3,123 acres of cotton obtained from farmers displaced from their land by eminent domain projects. It was brought out that the Undersecretary of Agriculture overrode the adverse recommendation given by the review and injudication division of personnel.<sup>9</sup>

The Senate subcommittee had a picture painted for them of the receipt-swapping and check-handling--"Indian

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<sup>8</sup>Ibid., July 14, 1962, Section 1, p. 9.

<sup>9</sup>Ibid., June 28, 1962, Section 1, pp. 1, 5.



giving" and "Indian payments." Estes persuaded numerous farmers who had been disposed of by eminent domain to buy farm land from him, transfer their allotments to the new land, and lease the land--plus allotment, back to him for \$50 an acre. Each farmer agreed to pay for the land in four equal installments with the understanding that if he defaulted on the first installment, the land (with the allotment) would revert to Estes. The checks Estes paid to the farmers for lease of their land were returned to him as partial payment on the first annual installment. However, one of Estes' agents did not use his check, instead he got the farmers to give him a receipt for the amount of the installment. He told the senators that he did not consider the sale of the land ethical, but he did consider it legal and legitimate at the time it was made.<sup>10</sup>

When the subcommittee's report was released by the Senate Government Operations Committee on the investigation into the Department of Agriculture's handling of the Estes' pooled cotton allotment, it stated that:

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<sup>10</sup>Ibid., July 28, Section 1, pp. 1, 3.

"An obvious and an apparent lack of organization" was displayed in instances during the Estes affair when the Agriculture Department had been unable to secure compliance with its directives even by its own employees.<sup>11</sup>

House Intergovernmental Relations Subcommittee. The House subcommittee, headed by Representative L. H. Fountain, heard testimony that indicated that the Department of Agriculture may have practiced a "hands-off" policy toward Billie Sol Estes.

It was pointed out that there was a Dunn and Bradstreet report showing that Estes operated an extremely complex business and noted his heavy indebtedness. An Agriculture Department official told the subcommittee that the "hands-off" statement referred mainly to the fact that his office was not responsible for assessing the financial standing of citizens engaged in storing grain for the Government, nor for determining the bond set for such operations.<sup>12</sup>

The Agriculture Department stated that the sixty-eight thousand bushels of grain missing was not considered a

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<sup>11</sup>United States Congress, op. cit., p. 1760.

<sup>12</sup>Vernon Louviere, "Hands-Off Note Read in House Estes Hearing," The Houston Chronicle, May 28, 1962, Section 1, pp. 1, 7.



a shortage in normal grain storage terminology. It attributed the shortage to shrinkage of grain in the warehouses, which was expected and grain warehousemen must compensate the Government.

The shortage disclosure was the result of the General Accounting Office's investigation. The officials said the Government seemed to be protected against losses from shortage by bonds and withheld storage payments. The House subcommittee was told that the Government would not suffer a loss.<sup>13</sup>

Previously when the subcommittee's hearing pointed out many of the problems that still existed at the beginning of the 1962 hearings, little attention was given the report. But, because Estes had a rags-to-riches rise in the grain storage business and then fizzled out, the subcommittee hearing on the Estes case received plenty of coverage from the press.

Billie Sol Estes' investigators found that he grasped the generosity and loopholes of the United States farm subsidy

<sup>13</sup>Richard Oulahan, "Scandal Hot As a Pistol," Life, 52:24:04, June 1, 1962.

<sup>13</sup>Post Washington Bureau dispatch, The Houston Post, July 21, 1962, Section 1, pp. 1, 9.



program and combined that knowledge with time-tested confidence-game principles and appeared to have scored the following achievements:

1. Borrowed money to buy cotton land, sold cotton at government-supported profits.
2. Entered the grain storage business, making use of government-storage payments as security to expand his fertilizer business, meanwhile selling the fertilizer at cut rates to stifle competition and help build customers for his grain facility.
3. Talked farmers into lending their credit by signing mortgages for tanks. Leasing the tanks back to himself, selling the mortgages to the country's leading financiers, and building more grain storage bins with the money.
4. Mortgaging non-existent tanks.<sup>14</sup>

It was further pointed out that it seemed mathematically obvious that Estes had been headed for a frightful financial reckoning for some years.<sup>15</sup>

The Intergovernmental Relations Subcommittee of the House Government Operations Committee stated that:

An "almost unbelievable number of inquiries and investigations" into Estes' dealings have been conducted by the Federal Bureau of Investigation.

<sup>14</sup>Richard Oulahan, "Scandal Hot As a Pistol," Life, 52:86-94, June 1, 1962.

<sup>15</sup>Ibid., p. 85. Congress, 80. 111. pp. 1079-80.

since 1953, and that had even a few of them "been properly coordinated," it was "almost inconceivable" that Estes' "fraudulent activities could have been continued for such a long period." 16

The report recommended that the press authorize a comprehensive review aimed at suggesting actions to promote interagency coordination of auditing and investigative activities.

#### Billie Sol Estes Goes to Court

Estes asked for a quick trial. Pecos was almost bare of newsmen as the court moved to select jurors for the Estes trial on the charge that he took \$162,144 from Thomas Bell.

Attorney General Wilson directly sought to link other persons to the financial downfall of Billie Sol Estes. It was brought out that Billie Sol Estes owned seven-eighths and a brother, Bobby Frank Estes, owned one-eighth of Estes Brothers. Bobby Frank Estes is reported to have withdrawn \$85 thousand cash seven days before Billie Sol Estes was arrested by the Federal Bureau of Investigation.

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<sup>16</sup>United States Congress, op. cit., pp. 1779-80.



Questions were raised about Estes' housing deals, and projects were mentioned in Blytheville, Arkansas; Orange, Texas; Albuquerque, New Mexico; Spokane, Washington; Moses Lake, Washington; Portland, Oregon; Blythe, California; Farmington, New Mexico; Pyote, Texas; and Lake Charles, Louisiana as among those in which Estes had an interest.

Thirty-seven calls were placed to Senator Ralph Yarborough's office and several others were made to other offices in Washington between September, 1960 and March, 1962. Witnesses were questioned about their content in an effort to link Washington officials with the Estes case.<sup>17</sup>

Estes was indicted on four counts of theft--replacing an earlier eight-count indictment. The charges were similar to those brought by the federal government on the manipulation of non-existent fertilizer tanks.

Witnesses testified that Estes urged them to build up their political influence. He persuaded one lending company to approve some mortgages by subjecting two of the firm's employees to a two-hour-long church tape-recorded sermon.

speculation came from one witness that Estes had

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<sup>17</sup>Associated Press dispatch, The Houston Post, June 24, 1962, Section 1, pp. 1, 8.

He had to contact twenty-five or thirty companies before he found Commercial Solvent to supply him with liquid fertilizer.

Harold E. Orr, President of the Superior Manufacturing Company, Amarillo, testified that Estes received \$18 million in twenty-two months from loans obtained on bogus notes. He admitted preparing countless notes on non-existent fertilizer tanks to obtain money from finance companies.

The Dallas grand jury probing the affairs of Estes subpoenaed an official of the El Paso bank to bring records of Representative Rutherford and his wife for examination. This was done because much of Estes' financial empire was located in the congressman's district and he had been linked with Estes on several occasions. Estes gave the congressman \$1.5 thousand which was contributed by Estes and other Pecos residents. A saving account was also opened in the congressman's name, by his campaign manager, from which no withdrawals were made, nor any deposits added.

In another session of the Texas court of inquiry in Amarillo, speculation came from one witness that Estes buried \$3.5 million in cash in a casket of a pauper. A sum of \$3.5



million in cash could not be traced. It was further speculated that "the biggest digging Pecos ever had" would begin. Two of Estes employees confessed that they worked all night making up a cash book, walking on it, and throwing it against the wall to make it look old. Their scheme worked, and CIT Corporation's auditors were completely taken by it.

Federal District Judge R. Ewing Thomason declared Billie Sol Estes bankrupt on Friday, July 13, 1962. While federal attorneys were trying to establish the total indebtedness of Estes, a group of creditors were attempting to establish the net worth of his bankrupt estate. Estes sold Commercial Solvent on a curious deal: the company supplied Estes with anhydrous ammonia fertilizer. Estes "paid" (only a little cash was involved) as much as \$90 a ton to Commercial Solvent for fertilizer and he sold it to West Texas farmers for as little as \$20. The firm was named in a civil suit against Estes in Texas on conspiring to monopolize the West Texas market for anhydrous ammonia by underselling all competitors.<sup>18</sup>

<sup>18</sup>"Investigations," Time, 79:20, June 22, 1962.

<sup>20</sup>ibid.

Under Article 7426 of the Texas Civil Service Status, it is unlawful "to fix, maintain, increase, or reduce the price of merchandise, produce, or commodities . . . to prevent or lessen competition in the manufacture, transportation, sale, or purchase of merchandise or produce."<sup>19</sup>

The lineup of indictments against Estes, as of August 11, 1962, were as follows:

El Paso Federal Court: One indictment charging transportation of fraudulent mortgages--superseded a second indictment brought because of new and better information.

Pecos State Court: Five indictments of four counts each which included swindling, general theft, and two counts of theft by bailee.

Amarillo State Court: One indictment for conspiracy to fix fertilizer prices and restraint of trade.

Dallas Federal Court: One indictment on three counts.

Estes filed three statements of liabilities with the Commodity Credit Corporation understating his liabilities.<sup>20</sup>

<sup>19</sup>United States Congress, op. cit., pp. 1779-80.

<sup>20</sup>Ibid.



By June 18, 1967, Estes was eligible for a plea for parole to be considered after he had served three years of a fifteen-year sentence for fraud.

A District Attorney at Pecos, Texas said he intended to have the six or eight charges against Estes on criminal charges still untried dismissed because one of the witnesses was dead.

Of the twenty-nine federal counts of fraud and conspiracy against Estes at El Paso for his fertilizer tank operation, he is now serving a fifteen-year sentence for part of the charges. It is possible that the remainder of the charges may not be pressed. He received a dismissal of state charges of conspiring to fix prices and of conspiracy and felony theft.

Estes received an acquittal from a Dallas jury in March, 1965 before he went to prison for lying to the federal government about his assets.

After he went to prison, the state charges of conspiring to fix prices and of conspiracy and felony theft were dismissed in Amarillo.

On the eight-year state prison sentence for swindling, the United States Supreme Court ordered a new trial because

the live television coverage violated Estes' constitutional rights. He pleaded nolo contendere (no defense) to the swindling charge and is now serving a three-year concurrent sentence.

Meanwhile, Billie Sol Estes has some \$32 million in claims against him. There is a \$325,282.19 suit in Federal District Court in Pecos to put a federal lien on the trust of these news sources revealed that the newspapers reported a Texas point of view and used headlines of simple expected to be heard until the mounting bankruptcy claims language; while the periodicals, which have nationwide are settled.<sup>21</sup>

coverage and distribution, tended to use fanfare and descriptive descriptions for headlines. However, there were no noticeable difference in the detailed reporting of the facts.

Billie Sol Estes' family had financial difficulties that necessitated his mother having to work to supplement the family's meager income. This seemed to have been an attribute to Estes' desire to achieve his goal--to become rich. The desire was so great that it seemed to have become an obsession that shadowed his regard for honor and dishonor, as well as legal and illegal.

<sup>21</sup>United Press International dispatch, The Houston Post, June 18, 1967, Section 1, p. 13.



## CHAPTER IV

### SUMMARY AND CONCLUSIONS

#### Summary

Many volumes were devoted to the coverage of the a funeral parlor which was too lavish for Pease, and Billie Estes' case by newspapers and periodicals. A comparison of these news sources revealed that the newspapers represented a Texas point of view and used headlines of simple language; while the periodicals, which have nationwide coverage and distribution, tended to use fanfare and demonstrative descriptions for headlines. However, there were no noticeable difference in the detailed reporting of the facts.

Billie Sol Estes' family had financial difficulties that necessitated his mother having to work to supplement the family's meager income. This seemed to have been an attribute to Estes' desire to achieve his goal--to become rich. The desire was so great that it seemed to have become an obsession that shadowed his regard for honor and dishonor, as well as legal and illegal.

Government Estes' pursuit of money and monetary values led him to cultivate many friendships, engage in many financial activities, and violate quite a few laws. Among his business involvements were the following: housing projects, storage of government grain, anhydrous ammonia, cotton, a newspaper, a funeral parlor which was too lavish for Pecos, and irrigation services.

Estes secured a Government license to store grain. He had to find a backer to finance the purchase of the storage facilities because he had insufficient capital. He assigned his Government payments to the financier to cover his indebtedness to him. This was not an unusual practice, but his financier was a manufacturer of anhydrous ammonia. Using the grain storage payments and his influence, Estes engaged the fertilizer manufacturer in a curious deal. He supplied Estes with liquid fertilizer valued at \$90 a ton which Estes sold to farmers at \$20 a ton underselling and ruining all competitors.

Estes grew cotton on a large scale although the federal government has a control on the amount of cotton an individual may produce. Cotton allotments are fixed by the



Government, and can not be detached and sold, however, allotments may be transferred with the sale of land.

Estes' agents infiltrated the Department of Agriculture and secured information from its officials about cotton allotments that could be transferred to Estes' land. Estes paid more than \$1.5 thousand for the information. When his operations were investigated, he threatened to use his large political influence, which he claimed stretched to the President of the United States.

At the time Estes' cotton allotment transfer scheme was under investigation, he was appointed to the Cotton Advisory Committee. This appointment, according to the Secretary of Agriculture, was made in poor taste and raised many questions.

Estes appeared to be a man of high moral character who neither smoked, drank, nor used profanity. He diverted the attention of teenagers to keep them from dancing at the local junior high school; refused to allow males and females to swim in his swimming pool, unless they were married; gave lavish gifts to the needy or less fortunate; and served as a lay minister in his church.

An apparent ruthlessness is detected beneath his pious facade, especially as he suggested tempering the act of ruining a fellow anhydrous ammonia dealer with mercy, and leasing, as well as mortgaging, non-existent anhydrous ammonia tanks. He practiced a policy of run or ruin.

Estes cultivated politically influential friends and watered them with an indebtedness to him by doling out large sums of money. In another of his endeavors to obligate persons, he borrowed as much as he possibly could to involve his creditors enough to take an interest in the survival of his business enterprises.

The Senate subcommittee, headed by Senator McClellan, delved into the Government cotton allotment and grain storage programs. It concluded that laxity in the Agriculture Department was obviously and apparently displayed, and that the department's directives were not followed even by its own employees.

The House subcommittee, headed by Representative Fountain, sought information on Estes' alleged favoritism by the Department of Agriculture and his grain shortage.



The subcommittee was told that the missing grain was not considered a shortage in storage terminology and the

Government would not suffer a financial loss as a result of

it. The subcommittee concluded that if the inquiries and investigations into Estes' dealing had been properly coordinated, his continued fraudulent activities would not have

been possible.

As a result of court proceedings on the Estes case the indictments against him were as follows: El Paso Federal Court, one indictment for fraudulent mortgages; Pecos State Court, five indictments for swindling, general theft, and theft by bailee; Amarillo State Court, one indictment for conspiracy to fix fertilizer prices and restraint of trade; and Dallas Federal Court, one indictment for failing to file correct statements of liabilities.

After serving three years of a fifteen-year sentence for fraud, Estes was eligible for a plea of parole to be considered.

5. There were individuals who believed that long arduous labor could be avoided in creating real values.

## Conclusions

After surveying the press opinions on the Billie Sol Estes case, the following conclusions are apparent:

1. Governmental intervention in the balancing of powers for the economic welfare of all must still be maintained in our capitalistic society.
2. The Billie Sol Estes case was well covered by the news media. During the early stages of development, headlines in periodicals prejudged the outcome of the case and used language that tended to create a cloud of mystery. However, a comparison of the details in the news releases by the newspapers and periodicals revealed that, there were no noticeable differences in the detailed reporting of the facts.
3. Infiltration of the United States Government was possible. As a result, the Department of Agriculture evaluated its laxity, tightened up its operational practices and procedures; and some governmental officials found themselves without positions.
4. Billie Sol Estes reached his goal--to become rich. However, the manner in which he achieved this end caused an avalanche of legal involvements. He is reported to have said that one has to walk out on a limb as far as one can for that is where the fruit is; and when the limb breaks, one then knows how far to go the next time. He walked out on the long legal limb of the law as far as he could and when it broke, he was bankrupt and faced a fifteen-year sentence.
5. There were individuals who believed that long arduous labor could be avoided in creating real values.



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## CASE OF CHARACTERS IN THE BILLIE SOL ESTES CASE

## Principal Participants in 1962 Estes Affair

Billie Sol Estes: Pecos, Texas promoter whose fertilizer, grain storage, and cotton allotment dealings lead to indictments on a variety of federal and state charges.

Jerry R. Holloman, Assistant Secretary of Labor and former Texas AFL-CIO official, who resigned May 11, 1962 after announcing he had accepted a personal gift of \$1,000 from Estes.

Winn F. Jackson, Texas accountant who said he submitted to the Agricultural Department, on his own stationery, a financial statement sent him by Estes showing Estes' net worth to be \$13.7 million.

Henry W. Jacob, Deputy, Administrator of the Agriculture Department Stabilization and Conservation Service, who resigned after a Texas Dept. session.

Carl J. Miller, Chief of Warehouse Branch of the Agriculture Department Marketing Service who renounced Estes' grain storage bond at \$7 million. He was transferred from his position on May 10, 1962 and was reinstated following an investigation of his role in the case.

Thomas A. Miller, Acting Southwest Area Director for the Agriculture Stabilization and Conservation Service who was reprimanded by Secretary Freeman, June 24, 1962, for failing to tell the FBI about a report he had on Estes.

Henry Marshall, chief of Productivity Adjustment for the Texas Agriculture Stabilization and Conservation office, who was concerned with a probe of Estes' cotton allotment dealings. He was found guilty under mysterious circumstances, June 3, 1961.

## APPENDIX

## CAST OF CHARACTERS IN THE BILLIE SOL ESTES CASE

## Principal Participants in 1962 Estes Affair

Billie Sol Estes: Pecos, Texas promoter whose fertilizer, grain storage, and cotton allotment dealings lead to indictments on a variety of federal and state charges.

Jerry R. Holleman, Assistant Secretary of Labor and former Texas AFL-CIO official, who resigned May 11, 1962 after announcing he had accepted a personal gift of \$1,000 from Estes.

Winn P. Jackson, Texas accountant who said he submitted to the Agriculture Department, on his own stationery, a financial statement sent him by Estes showing Estes' net worth to be \$13.7 million.

Emery E. Jacob, Deputy, Administration of the Agriculture Department Stabilization and Conservation Service, who resigned after a Texas Court session.

Carl J. Miller, Chief of Warehouse Branch of the Agriculture Department Marketing Service who renewed Estes' grain storage bond at \$7 million. He was transferred from his position on May 10, 1962 and was reinstated following an investigation of his role in the case.

Thomas A. Miller, Acting Southwestern Area Director for the Agriculture Stabilization and Conservation Service who was reprimanded by Secretary Freeman, June 25, 1962, for failing to tell the FBI about a report he had on Estes.

Henry Marshall, chief of Production Adjustment for the Texas Agriculture Stabilization and Conservation office, who was concerned with a probe of Estes' cotton allotment dealings. He was found dead under mysterious circumstances, June 3, 1961.



William E. Morris, Agriculture Department official who was dismissed for failing to make himself available for testimony about his relationship with Estes.

Charles S. Murphy, Undersecretary of Agriculture who was responsible for retaining Estes on the National Cotton Advisory Committee.

Dr. James T. Ralph, former Assistant Secretary of Agriculture, who was dismissed after FBI reports disclosed that he had used Estes' credit card to make personal long-distance telephone calls.

M. C. Wheeler, President of Commercial Solvent Corporation, New York, a chemical manufacturing firm, who provided Estes with his supply of anhydrous ammonia fertilizer.

Will Wilson, Texas Attorney General and unsuccessful candidate for the 1962 Democratic gubernatorial nomination. He was responsible for many of the revelations in the Estes case through the activities of courts of inquiry he conducted.

## Members of Congress

Rep. H. Carl Andersen (R-Min.) ranking Republican on the House Appropriation Agriculture Department Subcommittee, who in January and March, 1962 sold Estes \$4 thousand worth of stock in a family coal mine. The stock certificates were not delivered until June 12, 1962.

Rep. J. T. Rutherford (D-Texas) Estes Congressman, who received a campaign contribution of \$1,500 from Estes. He called Agriculture Department officials on Estes behalf. He was defeated in the 1962 election.

Sen. Ralph W. Yarborough (D-Texas), who received more than \$7 thousand in campaign contributions from Estes, including \$1,700 to help finance a radio broadcast.<sup>1</sup>

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<sup>1</sup>United States Congress, op. cit.