

Interview with Ken Dean, Jackson, Mississippi, March 28, 1974, conducted  
by Jack Bass [REDACTED] transcribed by Linda Killen.

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[REDACTED]

J.B.: How did you get interested in running for Congress?

Dean: Two or three things happened. First thing was that I got inter-  
ested in some problems associated with housing for poor. Looking into  
it, I found out that the chairman of the Republican party was involved  
in the housing business and had worked effectively and used his posi-  
tion as chairman of the Republican party, Clarke Reed, to get appraisals  
for FHA housing changed from an average of \$10,500-\$12,500 up to  
\$14,500-\$16,500. Roughly \$3-4,000 a unit. And then turned around and  
sold 990 units to FHA.

J.B.: This being Farmers Home Administration.

Dean: Yes, Farmers Home Administration housing office, you know, for  
lower income people. He did this by changing--he upped the appraisals  
by two or three methods. Number one, just on some of them the footage  
went up. But also he started figuring. . . instead of the inside foot-  
age on a house he started figuring it on the outside footage. He also  
changed the way you figure the heated and not heated space. He also  
changed the way you figure the cost of driveways and culverts and that  
kind of thing. Also, in a Democratic administration, a housing unit  
included, you know, *it had* room fixtures and it included a stove and  
refrigerator and a fan and other kinds of utilities in the house like,  
you know, towel racks and that kind of stuff. But under Clarke Reed's  
formula a house is essentially a shell. And then he added on the cost

of the stove, refrigerator, the bathtubs, the sinks, and that kind of indoor plumbing and that kind of stuff. And, you know, of course the poor pays for this. I got involved and interested in how the Republican party was conducting itself mainly, in Mississippi mainly through that.

And then, I had a guy who was a key Republican for years, [~~-----~~ ~~Eure?~~],

to tell me that in 1968 John Mitchell bugged the Mississippi delegation and kept control of the Mississippi delegation through this bugging process and then used the Mississippi delegation as a cornerstone around which to swing the election away from Reagan or anybody else over to Nixon. And he said then that Mitchell went around and bragged about it. Well, then you got Fred LaRue, a Mississippi Republican, involved in the Watergate thing. So, you know, what I saw rather quickly was that the Mississippi Republican party was an elitist group of corrupt politicians. So I went to work trying to get a Democrat candidate to run against Thad Cochran in the 5th district, I mean the 4th district, which is my district.

J.B.: Before we get into that, let me ask you a few more questions about background. On the Clarke Reed thing. Clarke Reed was able to do this because you had a Republican appointed state FHA director who was in collusion with him? Is that correct, or not?

Dean: Yeah, well, it's worse than that. What happened was that a deal was made that patronage would remain with Senator Eastland and Stennis in Mississippi. Eastland didn't want to have--

J.B.: This was in '68?

Dean: Yeah, right.

J.B.: Deal between whom?

Dean: Deal primarily between the White House and Eastland. And Eastland did not want to have to deal directly with the Republicans because this would get him in trouble with his own seniority and his own party. You

see, he was in that time subject to some sort of vote as to whether or not he should have seniority. Right? Okay. His seniority was being challenged by the loyalists. All right. So an arrangement was made whereby Fred LaRue would go to Washington. And Fred LaRue was an acceptable Republican to Jim Eastland. Jim Eastland was a friend of LaRue's father. Okay. So LaRue's role was to be a courier back and forth between the White House, the Republican administration, and Jim Eastland. In order to keep Jim from getting in trouble with his own party. Okay? All right. Part of the deal was that the White House would have, you know, support from Eastland and that Eastland in turn would maintain

[Interruption--child in background.]

Well, anyway. Eastland, you know, was to be supportive of the administration and in return for this he was to help maintain his patronage. Eastland's machinery is has with what you might call three different underpinnings. The first underpinning, of course, is the judicial system in that he's appointed all the judges. Second is that he's had strong control over the board of supervisors which is the county form of government. And the third structure that he's used is the Farmers Home Administration, which is important in a rural state because it has, it controls farm allotments, it controls water associations, land banks, farmers' loans, housing programs, those kinds of things. Well, Clarke Reed broke the agreement by demanding that he be given the control of Farmers Home Administration because the key role that he had played and the Mississippi Republican party had played in getting the Nixon nomination. So, he was able to wrestle away from Eastland the directorship of the Farmers Home Administration. What he did was he appointed Jeffrey Barber who was the Republican mayor of Yazoo city. A young man about 30 years old. Then he took Jeffry Barber's

brother, Haley Barber, and made him executive secretary of the Mississippi Republican party. So he had that nepotism functioning there between the party and Farmers Home. And what was happening, before you get Farmers Home association loans approved you had to go to the executive secretary and he, in turn, would pass it over to his brother. All right. On the other hand, Billy Munger, who is Clarke Reed's close associate and is treasurer of the state party and played a *major* role in the national CRP organization, Billy Munger appointed his brother-in-law as director of HUD, another housing project. And appointed his second brother-in-law to head of their administration properties appraisal. So you see, they had two kinds of nepotism with a conflict of interest. The conflict of interest being Clarke Reed being in housing and then having this kind of involvement and control of Farmers Home Administration. Is that what you asked?

J.B.: Yeah. Do you know exactly how it worked? Clarke Reed, what, did he construct houses?

Dean: Clarke Reed did this. He bought 50% of a modular construction company in Marsh, Mississippi. Clarke Reed held a press conference and announced, when he bought into this modular construction company--

J.B.: Know the name of it?

Dean: Well, it goes by two or three names. One of the names that's used is Mississippi Homes. Another name it used is Modular Construction. What they do is build prefab houses. Now, the second part of that deal is . . . . They manufacture the prefab houses. He also has a company called Rattling South [??] which has another name of Reed and Joseph, that erects these houses. So what he does, is he has Mr Joseph to handle the loans through the Farmers Home Administration. So they handle the loan, they get their attorney to do the closing out--the attorney that they pick, really. They have an insurance man that always

got a preworked up insurance plan and that had to be [? Yerter?]. They then producted the house, fabricated house, then they erected it. Plus they also oftentimes develop the land that the houses go on. And that's essentially the way it works.

J.B.: And in order to get the FHA financing, it has to be approved, correct?

Dean: Right, right. All these are low interest FHA financed houses. You have houses that would cost \$65-70 to people a month over a 30 year period.

J.B.: But FHA has to approve the construction, approve the loan, approve the qualifications of the borrower and so forth.

Dean: Yeah, right, right. But some of these houses that normally would cost \$60-65 a month to low income people, they're now paying \$85-90. Because the appraisals were kicked up \$3-4,000. Clarke Reed is under investigation by a government operations committee, a subcommittee of the house. Bill Alexander from Arkansas is involved in it. He's under investigation for housing he does in Arkansas as well as housing he does in Mississippi. That though, the issue of housing just symbolizes what is done in the Republican party in Mississippi. They really were people who did not know the difference in conflict of interest and what I call graft. You know, what really borders on outright stealing and. . . [Child in room.] They really didn't know the difference in, you know, gaining political advantage from patronage and unethical practices or conflict of interest.

[Interruption in tape.]

just a good piece of political patronage. And they've made poor people check off on petitions before they could get water associations. They've made people who do the VHA appraisals and housing appraisals contribute \$30 a month into the party. \$15 into the local treasury and \$15 into

the state treasury. Pretty much it's just been a financing. . . attempt to finance the Republican party out of the federal treasury.

J.B.: Okay, so now that background. . . and your playing a role in getting this exposed. . . . Are the TV stations doing anything on it?

Dean: Yeah, the TV station is doing a thing on it but mainly it was a story also that was carried nationally. Jack did it. Jack Nelson.

And it ran in the Washington Post, on the front page, as well as other places. But the sad thing about it was, even after all this was done, Clarke Reed was able to take a position of arrogance and just ignore it all. So I felt, you know, if it couldn't be handled through the press effectively then you've got to deal with it in some other fashion. So I decided one way in which to deal with this issue was to make a race against the Republican legislators and make these issues the issues of the campaign.

J.B.: Okay, and then what? You have contacted some of Eastland's people?

Dean: Well, Eastland's people were interested in this because Clarke Reed had double crossed the senator.

J.B.: Right.

Dean: And the directorship of the Farmers Home Administration. It also happens that there's a close link between the Eastland people and the regular Mississippi Democrats. I, of course, am a loyalist and have been involved in the loyalist--I'm essentially a Kennedy Democrat.

Stood somewhere between the Freedom Democrat party and the loyalists with my closer ties actually being to the Freedom Democratic party.

But there was agreement with some of the Eastland guys and the regular Democrats with me that we should expose Clarke Reed, Billy Munger, and that we should run Democrats against the two incumbent Republicans and that the issues should be the issues that I've talked about. Now it

turned out that we weren't able to come up with anybody that really wanted

to run that was a moderate type of Democrat that could also bring together the regulars on the one hand and some of the black Democrats on the other. So out of that void I decided that perhaps I should take a shot at it. So I am not the leading choice of anybody. I've got strong support in the black community but, you know, luke warm support I'd say among the white voters. And I have moderate support from the regulars. If, you know, the qualifying <sup>deadline</sup> is a week from tomorrow, if a good moderate candidate would come forward and run I still would back out. But it does not look like that's going to happen.

J.B.: Have the regulars indicated to you that they will support you?

Dean: Tom Odel, who is the chairman of the executive committee of the regulars. . . . I have not done anything whatsoever in relationship to my candidacy without his approval. From the beginning until tonight I've done nothing without his approval.

J.B.: Where is Eastland's---talk about Eastland's three sources, basic sources of strength. What is his hold over the supervisors? Or is that even poorly phrased?

Dean: Well, you know, the supervisors are the county government and the county government always relates back to the, it gets involved with the judges. The county government gets involved again with the Farmers Home Administration. Those things are interlocked.

J.B.: It's simply that supervisors have enough relationship with Washington federal agencies and Eastland is the man they go to. And he gets it done for them.

Dean: That's right. Patronage issues. That's right. Supervisor wants a water association, Eastland gets it. That kind of thing.

US marshalls has been important, too.

J.B.: In what way?

Dean: Just that all the various districts and all the county governments. Somehow or another Eastland has not always involved himself very strongly in Congressional politics. But if he gets more actively involved in this one it will surely be because of the Reed-Munger thing. He has a great deal of dislike for Munger because Munger called him a. . . Munger said Jim Eastland is a great detriment to the state of Mississippi.

J.B.: Eastland's a very sensitive person, isn't he?

Dean: About what people think about him, right.

J.B.: How about the Carmichael race against Eastland? Does that fit into the picture also?

Dean: Well, not with me necessarily. I'm familiar with that.

J.B.: Reed stayed out of that, though, didn't he?

Dean: No. He was with Carmichael.

J.B.: He was with Carmichael?

Dean: Behind the scenes.

J.B.: So that just adds fuel to the fire so far as Eastland is concerned.

Dean: Right.

J.B.: Now how about the fact that Cochrane and Trenton Lott won. Does that concern the Democratic regulars? Would they be behind you in part because they perceive Republican victories basically as a threat to them?

Dean: Well certainly. Clarke Reed is a. . . he's a real operator. And using the manipulation of the federal programs as he is to bolster up the treasury of the state party, with the two senators in our state being elderly men, this state could conceivably, in six years, be a solid Republican state. No question about that. You got . . . Eastland is what? 70? You've got Stennis who's 70 or thereabouts. So these



men are in their late years of political office. You have the Republicans gaining some seats in municipal elections. You have the Republicans making more serious races in Congress and the gubernatorial campaign probably this next time around and--

J.B.: Are some of these ambitious state Democratic officials likely to switch to the Republican party and then run for something like the US Senate?

Dean: I think that's about over. See, it is true that the happenings in the Watergate and the whole issue of Fred LaRue. . . it threw a damper on that.

J.B.: How does Fred LaRue fit in and what effect does his role in Watergate have in Mississippi politics?

Dean: The Republicans try to play it down, but the monied people who support candidates are aware that Fred LaRue was very deeply involved in the whole thing. See John Mitchell was the key to a lot of the development of the Republican party in Mississippi. He handled the bonds, Mudge firm handled the bonds for the Litton Industry down here. And Mitchell had a lot of relationships into Mississippi, through governor Paul Johnson and through Eastland. So the Republicans really had everything lined up for them in the state and could have garnered a great deal of power when Eastland passed on. Except, you know, the Watergate thing turned out and their real link, their real strength, you know, is the . So it's a different ballgame.

J.B.: So in effect Watergate may have had as much effect on the Republican party in Mississippi as in any southern state because of LaRue's involvement.

Dean: And the close ties with Mitchell.

J.B.: And the close ties with Mitchell. And of course the Litton

Industries thing. Roy Ashe, also presumably closely connected with Mitchell and with Mississippi because of the ship yard.

Dean: That's right.

J.B.: So you're saying that the whole situation has gotten so messy that any ambitious regular Democratic politicians don't want to touch it.

Dean: Whereas it might have been a viable alternative for him to switch two years ago, it's not a very viable alternative now. Now people would say they support the president, but that doesn't mean they support the Republican party politics. You follow me?

J.B.: The Mississippi Republican party, unlike the other southern states' Republican parties, has gotten itself involved in the situation.

Dean: Yeah.

J.B.: Because of Clarke Reed's involvement and Fred LaRue.

Dean: That's right.

J.B.: Was LaRue considered a Mississippi Republican before he went to Washington?

Dean: The story is that LaRue senior went to federal prison out in Texas for some grabs in the oil business, syphening off of oil. When he got out of prison he, along with his two sons, came to Mississippi. Ike LaRue junior and Fred LaRue. Ike went Democratic and Fred went Republican. And the point of that was since they were in the oil business they needed to have a functionary in each party. So they're not party loyalists either way. It's merely a matter of convenience for their oil business.

J.B.: Had Fred LaRue played an active role in the Republican party in Mississippi before he went to Washington? A publicly active role?

Dean: Yes. Yes he did. He did.

J.B.: Did he hold any party position or anything like that?

Dean: I think he was national committeeman one time or something like that. His contacts were with [Connie Ditz?].

J.B.: If you were to win this thing, what effect would that have on the merger problem between the loyalists and the regulars? Wouldn't you then in effect--

Dean: That's my second reason for being in. Would I in effect do what?

J.B.: Would you be in a position to play the role of putting it together?

Dean: I don't think any one person could play the role of putting it together. But I certainly would. . . I certainly would. . . .

J.B.: But to put it together isn't there going to have to be one person that both sides trust?

Dean: I think so.

J.B.: Basically, who is also somebody who can mediate and negotiate?

Dean: I think so, that's right.

J.B.: All right. You've got the background experience in mediating and negotiating. Right?

Dean: Well, I do that. But there's another thing that you need to know. The new Democrat rules and regulations are as pointed toward inclusion as the Miami process was toward exclusion. In other words, while they are written to try to insure minority participation and women and those kinds of things, Daley would never be excluded. Something would have been worked out to include Daley. And under the new regulations, you know, Daley would have been included in. I think what happened at Miami is what I call politics of suicide. The other thing is that the Democrat national committee--and this I don't want to be told--the Democrat national committee was in this state this past December and it did not contact the loyalists. It contacted the regulars. Plus, while they deal on a routine basis with Aaron Henry, Straus, also on a

regular basis, contacts and works with Tom Gradel, chairman of the regulars. And the regulars have been told that not only will they have their day in court but that since they are the ones who elect office holders, they will be involved, you know, in a very serious and important way, in the next convention. Now, you know, I know those are generalizations, but those are generalizations I think are going to be worked out in specific form. Mississippi delegation, I do not think, at the next convention is going to be an issue or a fight that divides the convention.

J.B.: You think the merger will be accomplished by then?

Dean: Yes.

J.B.: Most people we talk to--

[Interruption on tape.]

J.B.: All right, you've got pretty close to a clan [You got pretty close to the Klan?].

Dean: Uhhuh.

J.B.: Where are all those people now and what are they doing?

Dean: The Klan?

J.B.: Yeah.

Dean: They're all still around. They're not doing anything. And the reason they're not doing anything is because every act of the Klan since 1968 in the state of Mississippi has been initiated by a provocateur on the payroll of the FBI. The governor'll tell you this. The Klan's still very much around in terms of people's sentiments, but they're not actively organized because the organization is shot through and through with provocateurs and informers.

[Interruption on tape.]

During the time when they were having all the fuss in Mississippi over the Head Start program and they were trying to get some of them killed off and

all of that, Shriver told me himself--

J.B.: This was in John Bell Williams' administration?

Dean: Yeah. I guess that's what it was. Either Paul Johnson or John Bell Williams. I believe it was Paul Johnson administration. Shriver told me that he had gone over to the White House for something and that he met John Stennis coming out. And he said Sen Stennis said "Well, Sargent, you'd never guess what I was over here for." And he said "Well, what were you over here for?" And he said "I was trying to get more funds appropriated for Head Start." And Shriver just used that, you know, to say to me that while there was a lot of hell raising about the Head Start programs in Mississippi, that we should not be under any illusion as to what our senators were doing. That's all. Shriver was very pleased with Stennis for that.

J.B.: But Stennis, pretty much consistently, voted against OEO funds, didn't he?

Dean: Probably did. Same way with Eastland. Eastland used to tell us "It's one of these things I've got to vote against, but you fellows understand that I've already done more work prior to the time the vote's taken to make sure we get what we want than anybody's one vote will mean." That was Eastland's position on OEO. From the beginning.

J.B.: In other words he just felt he couldn't safely vote for it in Mississippi?

Dean: He worked with Ted Kennedy on it.

J.B.: How do you view Eastland?

Dean: I don't. I'll tell you something off the record. [Tape is turned off.]

The Eastland people told me yesterday that they didn't know what John Bell was wanting to run for. They assumed it was governor again. But whatever it was, that he had men already out riding the street, riding

the roads actively organizing.

J.B.: State wide?

Dean: Yes. And that John Bell had one of the most effective organizations in the state. And that even though he's not in office that it's held together.

J.B.: Is it a different organization from Eastland's organization?

Dean: Right. Yeah. You see, under Eastland's organization it splits up three or four different ways. It really does. You got people who are Waller people. You got people who are John Bell people. And then you got folks who are sort of J.P. Coleman people. I've had to be very careful about that because I find people who are loyal to Eastland but who don't support Waller. I find people who are loyal to Eastland as a senatorial candidate but who support Sullivan at the gubernatorial level. And see, it's a strange mixture. But I think John Bell's going to. . . he will try to come back.

J.B.: Is he interested in running for the Senate?

Dean: Could be. Could be. John Bell'll get elected to the Senate [this is a negative opinion; doesn't think John Bell will be elected to the Senate]. Might get elected governor.

J.B.: Why could he get elected to the governor and not to the Senate?

Dean: Well, I think Mississippi people feel a little different about who they're going to send to Washington as senator. They want to send somebody to Washington who at least has the potential of amassing power. And they know that John Bell's age, and health, and just who he is would not qualify him to amass power. You following?

J.B.: Uhhuh.

Dean: That's the reason I don't think they'd elect him to the Senate.

J.B.: Also wouldn't you like to have a stronger opposition in the Senate race?

Dean: Oh, there'll be a whole bunch of approaches. Bill Waller will be in whatever senate race there is

J.B.: Could he win?

Dean: He might. He might do that. The Headermans who in a lot of ways don't get identified in politics will get involved in that one. They get involved in senatorial politics. They get involved in gubernatorial politics.

J.B.: They opposed Waller and lost.

Dean: That's right. This is an example of the Eastland factor's splits. Eastland elected Waller. Okay? The [Headerins?] elected Eastland. But the Headermans opposed Waller.

J.B.: But they still supported Eastland?

Dean: Right. One of the Eastland guys told me yesterday, he said it was funny as hell. He said that he found himself sitting down with one group of people that supported Eastland and then he said he found that group splitting in half on gubernatorial campaigns. And that he was opposing half of them on gubernatorial campaigns but yet working with them on senatorial campaigns. And he said it was just very strange for everybody concerned.

J.B.: Someone told us that the last time Eastland supported a losing candidate for governor was 1955.

Dean: Probably's true. Eastland does not have the power to elect a--

J.B.: And since 1955 has not openly supported a candidate for governor.

Dean: Mm. But Eastland does not have the power by himself to elect a man. But what he does, he has the power to make the difference. You follow me? So he always waits to see how things lined up. Then he picks his man very carefully. And he makes the difference. Through the right wing vote. network that's in the Klan.

[End of interview.]