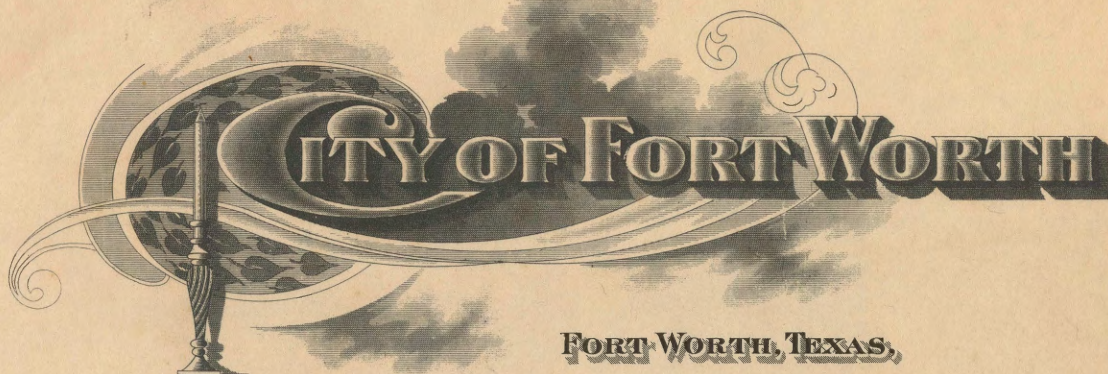


COUNCILMEN

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T. B. HOFFER  
A. E. THOMAS  
WM. BRYCE  
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WM. MONNIG  
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L. P. CARD

H. C. MEACHAM, MAYOR

O. E. CARR, CITY MANAGER



FORT WORTH, TEXAS,

Aug. 10, 1925.

Hon. H. C. Meacham,  
Vanderbilt Hotel,  
New York, N. Y.

Dear Mayor:

Your favor of Aug 4 was received last week. I delayed replying until I was able to get the information asked for in connection with the financial condition of the city in 1900 and also with reference to bonds outstanding for improvement District Number One. This information is being enclosed herewith.

In connection with your letter of Aug. 7, I am sure when you return I can satisfy you fully as to the connection of Senator Hanger with the entire klan fiasco. He had been planning it for over 10 days before it broke. He was the instructor for Julian Hyer. Julian Hyer was acting under his orders in this whole connection.

I do not know that I would satisfy you regarding the information <sup>regarding</sup> of the Power & Light Company proposition, however, I do know that Senator Hanger felt very much peeved to think that the city administration was going to investigate the Power & Light Company whom he served as attorney. He was also very much vexed to think that the Board of Equalization would even contemplate raising their renditions for taxation. Knowing these things, I worked out the connection between the power and light situation and the klan activity. Personally, I did not think nor do I think now that this connection went beyond Senator Hanger, but I do think it had something to do with Senator Hanger's activity with the klan and will be very glad to have you talk with a man, in whom you have confidence, who was present at one of the conferences between Senator Hanger and Julian Hyer in which the whole proposition was discussed.

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Mr. Meacham.

This proves to my own satisfaction as to Hanger's connection. I will say frankly I introduced the power and light connection because I felt that was back of Hanger's animosity, also because I would prefer to get Senator Hanger and the klan mixed up with the utility proposition in a measure to make up for their backing of J. Frank. Personally, I believe you over estimate Senator Hanger. I know he is very shrewd but he has not played entirely square with his own following. This is bound to weaken the man's position. I believe that Hanger has just now learned that his strength is much less than he had anticipated

Every thing is very quiet here now and believe that we are going to be given a chance to do some real constructive work. The only bad indication is that Jim Ferguson has given this city a lot of very favorable publicity thru the state in connection with the klan fiasco. If Jim Ferguson is backing the administration too strong I will think there is something wrong with it.

I am very sorry to say that we have found a lot of irregularities in the Assessor & Collector's office. These irregularities occurred in the years 1917, 1918, 1919, 1920, 1921 and 1922. A fairly complete check shows a default of the city of about \$20,000 in 1921 and 1922 thru false entries, etc. A very meagre investigation thru the other four years shows a loss of \$10,000.00. Personally, I think the loss for these years will not fall below \$50,000.00 when a complete check is made. I expect to have that check started this week and expect to call on the parties <sup>concerning</sup> the surety bonds as well as a former assessor and collector to make good the entire amount squandered, plus 6% interest. This will probably be either tomorrow or Wednesday, just as soon as we get every thing in shape for proof. There is, however, no question regarding the stealing of \$29,000.00 and falsifying the records in order to cover it up.

The Board of Equalization raised the valuation of the Ft. Worth Power & Light Company \$2,400,000.00 to \$4,000,000.00. This raise has been accepted by Mr. McMahan, their attorney. Mr. McMahan advised the company, so I understand, to render their property at not less than \$9,000,000 until the Board of Equalization should do their duty. Hanger and Duncan fought that policy. The lower their rendition is made the worse it will show up for them in case of a rate case. Personally, as I said in my previous letter, I would have

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Mr. Meacham.

preferred to see both propositions go to court, in case one of them goes and fix the same valuation for taxation purposes as is used for rate making purposes. The acceptance of the \$4,000,000 for taxation by them, however, will settle this proposition and we will get our tax money another year. The Board of Equalization can use and should use for taxation whatever value they establish for rate making purposes.

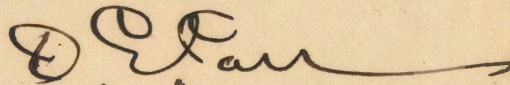
I had a rather long talk with Mr. McMahan the other day and did not know he was a lawyer. I did not know that he was connected with Short and Hanger or that he was an officer of the Power & Light Company. I said some things I would not have said had I known he was connected with the law firm. At the same time I was not in position to call him up and tell him of my mistake.

Personally, I think that the engineer and assistant who are on their way will save a lot of time and trouble as these men will be able to work with the values now employed by the Power & Light Company and will check their valuations and their inventory as they go along, which will save just that much time after their work is done.

I am glad to know you will be back by September 1st. We are not going to have another council meeting until your return, due to the fact that we will not have a quorum until you, Bryce, Hoffer, or Burton return.

With regards and best wishes, I am

Very sincerely yours,



. OEC:MR

P. S. Cheatham has not the data to be enclosed. Will send it at a later date.