

**GEORGE P. MITCHELL**

George P. Mitchell is chairman and president of Mitchell Energy & Development Corp. Born on the island of Galveston, Texas, in 1919, he was graduated from Texas A&M University with a degree in petroleum engineering with emphasis in geology. After service in World War II as a captain in the Army Corps of Engineers, he became associated with a wildcatting oil venture which became Mitchell Energy & Development. The Woodlands, Texas, began with land acquisitions by Mitchell Energy & Development Corp. north of Houston, Texas, in the 1960s, and earlier in the more remote recesses of the mind of George P. Mitchell.

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[The following interview with George Mitchell (GM) is conducted on the offices of Mitchell Energy and Development in Houston, Texas on September 11, 1990 by Henry C. Dethloff (HD)].

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HD: Mr. Mitchell, as a prelude to our discussion of the inception of The Woodlands, Texas, would you please tell us about your early career. For example, how did you happen to enroll at what was then the A&M College?

GM: How did it happen? Well, my mother wanted me to become a doctor. She died, however, before I entered College. I had planned on enrolling at Rice University, and was accepted, but in the summer before beginning classes I went to Louisiana to work in the oil field.

HD: Where did you work in Louisiana?

GM: I worked in Denton, Louisiana. My brother, Johnny, had some little wells there. I decided then that I wanted to become a Petroleum Engineering Geologist. So then I changed and instead of going to Rice I registered at A&M and started taking petroleum engineering geology and that's how I entered the oil business.

HD: Had your brother been at Texas A&M?

GM: Johnny graduated from A&M, and my older brother had gone there for a year and then transferred to Texas. Johnny is a Chemical Engineering graduate of A&M. He is seven years my senior. He worked for Exxon. Then he began drilling a few little wells, work-over wells, on his own, and left Exxon. At the time I was a senior in high school and that summer before. Even after I graduated I'd gone back to my school at Galveston for another year because I was too young and too small. Also I had to take third year Latin to qualify for enrollment in pre-med at Rice University. So I went back. I was also taking trigonometry and solid geometry. I did so well in those, this helped me decide to be a petroleum engineer rather than

concentrating on straight geology.

HD: Did you ride the train up to College Station, or how did you get there?

GM: Yes. My aunt put me on the train in Houston. She drove up from Galveston to the train. I had to get off all alone in College Station -- a sixteen year old kid, walking across the campus wondering what the hell was going to happen.

HD: It was a long walk. (laughter)

GM: A long walk from the old train station over to the campus -- but it is a nostalgic memory. But anyway, A&M is a great school, and for \$450 a year I could go to school with room and board and everything. It was tough and my father didn't have any money. I had to do some work in the mess hall, and I built book shelves, and I had cleaning and pressing laundry, and I had a candy concession at football games. It was tough the first couple of years but I managed to get by -- and the last year I made money. I made more money my senior year than I got from Amoco when I went to work for them. I was the one who originated the stationery that had this beautiful golden embossed seal. It used to be just plain print on a white paper, so I got a sample, and a printer developed that for me. I had an agent in every dormitory. I was making three hundred dollars a month when I got out of school and I only took a hundred and twenty six dollar salary at Amoco in South Louisiana, so I took a cut in salary to leave A&M.

I knew that war was coming on, we all knew it, but I wanted to get some experience before going in the army. I was offered a

full commission because I had excellent grades and was Battalion Commander at A&M, but I didn't want to get in the service yet because the war hadn't come on. I was a Reserve Officer. I think it was September before the war when they called me to active duty. I went with the Corps of Engineers. I did all construction on ammunition and gun plants, military depots, and airfields around Texas. So I got tremendous experience, and ended up First Lieutenant supervising one hundred and fifty people.

HD: Your main involvement was construction.

GM: Mainly engineering and construction. Engineering Officer was what I was -- Assistant Engineering Officer. Therefore I got great experience. When the war ended I had lost four and a half years so I just came to Houston and decided, "The hell with it." All my contemporaries had stayed with Amoco for some reason or another, or had been classified 4-F. They had come up and they ranked pretty well in the company. The company offered me a job. They thought I was a pretty good engineering geologist. I had been involved in South Louisiana, which is a tremendous field for Amoco. It was called Stanlon Oilfield, Stanlon Oil and Gas, and they had a tremendous operation there. I had a lot of experience in the year and a half that I was out.

HD: Were you in production primarily or exploration?

GM; I was in exploration geology and production. They had exploitation engineers, you see. We didn't do the basic exploration, we did the exploitation geology, and engineering too. I did both because my background is both. When I came to Houston, my brother had come here also. He had some friends and

I was able to get six people to fund me fifty dollars each with a little override to see if I could find oil and gas for them. I would do the deals. I'd do the geology and engineering and then I'd get my brother and my partner to go down to some drug store and sell the deals. We only had one girl in the office with us.

HD: Were you doing any seismic work, or how were you doing it?

GM: When it first started we had so little money. I had a friend from whom I could borrow well logs. I couldn't afford to buy the logs, so I'd borrow the logs at six o'clock, I'd work 'till about three in the morning and I'd bring them back by eight o'clock. He wouldn't charge me and that's how I'd do some of my geology assignments. And then we'd get people to back us for a "thirty-second" overriding interest. Eventually we'd get more. We finally got big people like Bob Smith to join us. We also had all the Jewish people in town taking deals for us -- called the Big Nine -- the Weingartens, the Battlesteins, Oshmans, and others.

HD: You were working this area primarily.

GM: We were working the Gulf Coast region. Except that we did work some other areas. A North Texas prospect came to us from a Chicago bookie through one of my partners. That's a hell of a story in itself. (laughter). What the hell does a Chicago bookie know about Texas oil? He just had a deal - I found out it came to him through one of my friends who had been trying to sell the lease. I didn't know him, but he had gone to A&M, had gone and been trying for two years to sell the deal and couldn't sell it, so the Chicago bookie wanted to know if we'd look at it and

one of my friends called and said, "Come on, you've got to look at this deal." "Well, all right General, I'll look at it." And that led to one of our big discoveries in North Texas -- so you never know.

We began slowly, and we kept getting a little better and better. We found a lot of oil and gas. I did a lot of consulting work for Glen McCarthy and a lot of other people including Eddie Scurlock and a lot of the old timers you've heard of such as Floyd Carston, besides creating our own company. I was doing both things -- consulting and selling deals to them to make a little override. We began to build our company. That's how we started our company. Most of the oil and gas we had we found ourselves. That's different than most companies.

HD: When was your first company organized?

GM: It was organized in 1946, that's when I came, in January of '46.

HD: So you organized right away.

GM: It was organized as Roxoil. We had three partners, and another guy named Jimmy Gray joined after he was in for six months. I was getting an override for doing the work for them. Gray said, "I got a third interest and I'm going to Oklahoma, do you want to buy it?" I got the General to back my note for nine thousand dollars. So I bought him out for a third of this little fledgling company just started. I think we had one well capped and one well at North (unintelligible), I bought my interest and the General helped me bank it, he signed my note for me, General Pulaski. So that's how I got in the company. Then, of course, we started building the company and in the meantime I was doing

consulting work for a number of people around here who would pay me enough, because I had two kids and one on the way. I guess I was a little naive to think that with a year and a half experience I could become an engineering geologist, but that's what I did. But I knew Houston was the place to be. I picked the right place to be. That's when things took off. There was a backlog of prospects accumulated during the war that couldn't be drilled because steel wasn't available. We had been furnishing all our allies with all the oil we had. Therefore, I knew that Houston was the place to be!

HD: When did you organize Mitchell Energy?

GM: Well, after Roxoil, we created a company called Christy, Mitchell and Mitchell, which is a successor to Roxoil. That was the three partners: Christy, myself, and my brother Johnny. They were older than I was. They would sell the deals and I would do the geology engineering. We finally hired a couple of people to help us. I would say we organized that company probably in the early '50's, '50 or '51. We started making a lot of discoveries at Palacious and North Texas in 1953 and we discovered a lot of oil and gas reservoirs. We changed to George Mitchell & Associates. Then in 1972 we became Mitchell Energy & Development, and went public. That's when I first met Joe [Kutchin]. When I went to Chicago to make my presentations, he was working for Harshe, Rotman & Druck, the P.R. agency. I went there to see if they thought that we could sell our project to the investment community, if they thought we had enough of what ever it was. My brother had about twenty percent of the company

and I had more than that, and he eventually sold most of his to me so then I ended up with most of it.

HD: What was your first experience in real estate?

GM: Well, the first experience was very interesting. The first experience was, I guess, back in 1961 or 1962. A woman called me and said I knew her in high school. She said her husband had just died and left some real estate to the Texas Bank (used to be Texas Bank down here where the Chronicle Building is) Trust Department (and, she didn't say this, but he left all the income to her but the residue went to the Society for the Prevention of Cruelty to Animals). That was some husband, wasn't it? She could get the income but then the property would go to the dogs, so to speak. She said, they want to get me to sell to these people and they've really got a rip-off going on. Part of that property is now an industrial park in The Woodlands. But this happened before we even conceived of The Woodlands.

HD: What year was this?

GM; That was about 1962 or 1963. I found out that the District Judge in Conroe had some sort of lease where the trust had to go and had a deal going on so I threatened the bank with a law suit and if I won I'd get a quarter of the profits. Therefore, this land was split up. The judge worked out a deal where he would take part of the Conroe property and let us have five hundred acres on the edge of Houston for forty nine dollars an acre. It had about fifty dollar an acre timber on it, so we were able to buy it that way. Now that is the first piece of real estate we had taken over. We also had done some business with some housing development and a person named Norman Dobbins back in 1963 and



1964 -- doing little housing developments in several spots around the area -- which didn't make money, rather, we lost money on that.

HD: This was strictly an investment?

GM: Well, we were participating, trying to help make it work. Dobbins was pretty good at design creativity, but a very poor business man. So we had to pitch in - we lost money on that and we finally had to buy him out but it wasn't very much money. We were just playing with it, we weren't doing it. But about 1962, '63, and '64, we bought the Pelican Island property and worked with A&M to create the A&M campus. For Pelican Island I had a deal made, buying it from Mary Chapman Scott. They had about ten million spent in it and they had a big law suit with the city and were unable to settle the law suit. So I bought it for a million eight. I had a deal with Shell to sell fifty acres for about a million six, so the minute I closed the deal I promised to give A&M the hundred acres they have for the institute they have there.

Of course, what really got me into The Woodlands was that about that time - the early '60's - energy was in trouble. That's when they opened the flood gates on all the Persian Gulf oil, and the price of oil was down to a dollar and a quarter a barrel. The Railroad Commission of Texas allowed only eight days operation a month for every oil well, so we concentrated on gas, because we knew gas was going to be the future. I concentrated all our efforts on gas, knowing that unless we got something we would be out of business. We could see that oil was going to be

in deep trouble as long as they continued flooding this country with cheap oil.

HD: But you were discovering, not trying to produce.

GM: Yes, we produced every foot we could get at three cents per thousand. The first gas contract I made was at three cents a thousand, and then it finally got up around six or eight cents. That was a good price, but we knew gas was under-valued. We could make deals with major companies to drill gas properties easier than you could oil properties. I thought gas was the future in terms of energy demand, and we concentrated eighty percent of our effort on gas. We knew that the brokers working for us (ten to fifty people), if they didn't make a deal they would be starving to death, so I told them to be on the lookout for real estate that we could buy and we'd try to find a way to leverage ourselves and buy it. I had this piece of land that I bought from the Judge and the bank that I ended up with -- that three or four hundred acres out there. I had a person, Max Doolin, who was a forester up in that area. We'd cut the timber so we could get some money. We had no money. So he cut the timber on our land and I told him, "Max, if you know of a deal that we can put together, leverage-wise, one we could make a real good deal on because we don't have any money, see what you can put together." So it took me two years, in 1962 or so, to buy the Grogan Mill and Lumber Company. I had to settle three law suits. There were three family groups fighting. I bought the land for one hundred and twenty five an acre -- fifty thousand acres of which four thousand became The Woodlands. The rest was scattered around Montgomery County. The way I figured, the price

that I offered was that I could sell the timber to Louisiana Pacific and retain some of the minerals. I figured the only figure we could pay would be one hundred and twenty five dollars an acre because I could pay the interest from the timber and minerals. I got the Bank of the Southwest to finance the purchase. At that time, Harold Matthews, who used to be my professor at A&M and thought a lot of me, was able to say, "OK, I'll make you a loan if you can get a release on the land, twenty percent release on the land, fifteen percent payment." So I got the heirs to give me a release of the land for fifteen percent, and the bank gave me the money because I didn't have any money. Then I took the residual of the fifty thousand acres and went to Great Southern about six months later and made a full six million dollar twenty-year loan and just paid interest for twenty years, so I could pay it off on timber. That deal had nothing to do with The Woodlands. Then - right after that, I found out about the Foster Lumber Company which is where Kingwood is. So I made a run at that. Fifty thousand more acres, even though we were drilling oil and gas over here - very difficult time - and I had to use leverage, so I made a run at them and I was able to get twenty one percent locked at a dollar a share. There were a bunch of heirs. I was after the company and the hundred and fifty thousand acres for myself. I had a deal made with the twenty-one percent at a hundred and twenty five or a hundred and fifty an acre minimum and then I got Boise Cascade to come in for half interest if they would put up the seven hundred and fifty thousand dollars that I needed to buy up to fifty one percent of

the company. They wouldn't put it up unless I had an option on the fifty one percent, and the guys they sent said they wouldn't do it unless I had the money. So I couldn't quite do that. What happened was, while I was negotiating with it, Exxon and the King Ranch moved in and paid them three hundred dollars an acre -- and that's where Kingwood originated. But it was a bad piece of land. I was going to red-flag it. So that went away but we made, the company made [because then I had paid a hundred and twenty five an acre and we sold our portion for a hundred and fifty an acre to Exxon] a million dollars.

HD: Now, when was the Foster deal?

GM: That was about 1962. Then there was no concept of The Woodlands or anything. We were piddling with little subdivisions with Norman Dobbins, called Pace Setter Homes, but nothing of any magnitude.

HD: Let me pause for just a second -- while you were doing all of this there is a lot of activity going on down south around NASA and South Houston. Were you paying any attention to that, or thinking about it?

GM: I only knew what happened -- that Exxon made a deal to let them have that acreage down there through Lyndon Johnson to do the space center. I didn't think that had too much relation except it meant that Houston had another industry besides oil and gas, but it was very embryonic at that time -- it was just beginning. Friendswood had started Clear Lake before that, but when NASA came, it really made Clear Lake. Exxon didn't really want Clear Lake, they bought it because of the oil field, Exxon did. The West estate made them take the damned land at a hundred

dollars an acre. They didn't want the land -- the twenty thousand acres. Well they took it. Then they finally decided that Clear Lake was near the bay, and then after a while when they found out there's going to be a NASA, they worked on President Johnson to get the government to take whatever acres that NASA was going to be out of it as part of the deal to make Clear Lake go. But we knew about it and we knew it would help Houston -- but we thought we'd have nothing to do with it.

So then we missed the Foster Lumber Company deal, but we had the fifty thousand acres. In the early sixties, '64, '65, we began to have the terrible riots in the cities. The Vietnam War was on. Bedford Stuyvesant was having a riot up in New York City. Watts was having a riot. I went to several meetings of Blacks to try to understand. Our cities were all in desperate shape. What was happening, in my reckoning, was that what was destroying our cities was the proliferation of political subdivisions around the central core. I thought that there ought to be a better way to evolve an area.

HD: Well, why did you reach that conclusion? That's sort of unusual.

GM: Because of the organization I belonged to called the Young Presidents Organization. Whenever we went anywhere we didn't talk about business all the time, we talked about philosophy and the humanities, and we would expose ourselves to the thoughts of what really makes a nation work.

HD: Now, these are local CEO's?

GM: No, it's a national organization. At that time our company

was worth over a couple of hundred million dollars. If you had more than fifty you could qualify to be a Young President. You had to have the presidency before you were forty years old or you didn't qualify. There were a lot of entrepreneurs. There were a few of them that inherited their money and some were duds because they didn't make it themselves; their fathers did it for them. This was a hell of an organization -- it really was. So, I was exposed to what was destroying our cities, and I got to thinking, "Why can't we do it better and what other place could be better than to do it in Houston because Houston was going to go to five million people?" I knew that, I knew there was a beauty because I lived in Memorial at that time. I lived in Memorial from 1958 on . . . .

HD: When you came, you moved into Houston, you didn't stay in Galveston?

GM: Oh no, I came into Houston. We lived in an apartment my aunt had because there were no apartments available. I ran that apartment house. Cynthia and I will never do it again. We had to scrape these plaster walls and paint the damned thing and I said, "Never again!" She agreed with me. We had two kids and one on the way so it was tough, tough on her, but we were able to have a place to live. We first moved in with her mother, and then got the apartment. We managed the apartment on Fannin and Elgin that my aunt owned. We first lived with her mother for a month and a half until I got the apartment, then we moved there. Later on I bought a house. I was getting some royalties, so I ended up building a house and I had Ford and Carson from San Antonio design it. It was built on North McGregor -- a beautiful

area.

HD: Now who did it? Ford?

GM: Ford and Carson out of San Antonio.

HD: O'Neill Ford?

GM: O'Neill Ford, Ford designed my house. Because I knew one of the architects - was in the army with him, and he was working for O'Neill Ford at that time - named Jerry Rogers. And so O'Neill Ford designed my first house, a beautiful house right on Timber Crest on North McGregor in a beautiful wooded area. I then moved to Memorial into the Spring-Branch school district. I guess we had seven or eight kids at that time and I just wanted to make sure they got a decent education. So that's why I moved out to the Memorial area. Then we build a house in '65. By that time I was going around the country seeing what was destroying the nation, in my opinion, trying to find out how you do it better. I said to Karl Kamrath, "All right, Karl, how many acres would I need to build a town for one hundred thousand?" So they made a sketch [which appears in George T. Morgan, Jr. and John O. King, The Woodlands]. Incidentally, that sketch is fairly accurate to what we did. They said you'll need twenty-thousand acres. Well, I only had four thousand at that time, but I didn't think that was the right spot. We then looked at the 1960-I45 area, right where the corner was - 1960 and I45. I actually optioned twenty-five hundred acres at twenty-five hundred dollars. I have it now. But then I couldn't get the ten to fifteen thousand acres I needed under option so I gave up. That was back in 1967 or '65, right after Karl finished his map. Then I said, "Well, the best

place to look is where the airport is going to be along I45. We knew where the airport was going to be. We looked at the sonic problem - if you get too close to the airport you destroy the attractiveness. We looked at the freeway and we looked at the beauty of the woods.

I lived in Memorial. In fact, one of the things we found out when we had Pace Setter Homes - you had a lot with three trees and you had one with no trees, the one with three trees gets fifteen hundred dollars more. So we knew the value of the forest, the beauty. That's why Memorial is so popular. 1960 was the hot thing at that time but it had been screwed up by a bunch of small tracts - 500 acres, a thousand acres - it was just a big mess. It's like Westheimer all over again. We didn't want to do that. Karl did his studies, then I started with Karl and Charles Lively. We started building a block. It took three hundred transactions to build a block.

HD: You're going with twenty thousand acres?

GM: Charles Lively - I guess you got all the information from him. I had to build a block of twenty-thousand acres and it was very difficult. The Catholic Church, the Sealy Foundation, this fellow McCann were among those in the negotiations. Well anyway, starting in 1969, or 1968, we heard that the University of Houston wanted to build a north campus, and a south campus, so we went there and they agreed that they would like to have a site in The Woodlands for the north campus. That was 1968-'69. We've got a history about that in there. Next, I went up to Columbia, Maryland. First I had sent people, and then I went to Columbia. I also looked at all the west coast towns, Irvine, Westlake . . .



HD: How did you get into that, I still don't understand - how you got into that "new-town" development idea.

GM: I knew that it was important for the nation. I knew that if we were going to urbanize to five million people you had better do it right. You could destroy areas just like these other cities. They're all in trouble; Cleveland, Washington, you talk to them. They have a central core and a hundred subdivisions that can't get along with each other. They are self-destructing. They can't manage. Unless you respond to the whole you can't make it work, and that is the concept I had. So I sold HUD on it.

HD: Had you done a lot of reading on this? Did you have meetings with other people other than the Young Presidents?

GM: I perceived what was wrong with all the urbanization problems, and therefore I felt that The Woodlands should be a prototype of really what should be done. The Woodlands is really unique. There's nothing like it, and people will realize it in ten to fifteen years. All right, so then I went to Columbia and talked to Jim Rouse. I looked at Levittown, which was a mess. I looked at the one in Chicago - Park Forest. I went through them all. Westlake was upper class. I went through Scotland and England, into France, and all the towns there are working towns. All the ones on the west coast were upper-class towns. Columbia, Maryland is the best I've seen. Reston in Virginia is upper-class. I looked and had seen them all. What I did then was start hiring some of Rouse's people--Dick Browne, Mike Richmond, Len Ivins, I hired about ten of them. Rouse sent a man down to

threaten to sue me if I didn't quit. So I said, "OK, Jim, I won't hire any more." And then we started building a team together, because nobody in this country had done anything of this magnitude. We watched Clear Lake, we watched Kingwood getting started at that time, but no one did the amount of planning that we did.

HD: That's one of the unusual things about all of this. Texas developers had never done this kind of planning.

GM: We had all the pertinent things together. We planned the concept. Then we hired Ian McHarg, because he had done most of the important environment control at that time, in my opinion.

HD: Where did you find McHarg?

GM: Bob Hartzfield was my planning director at that time . . . .

HD: Where did Hartzfield come from?

GM: He - McHarg was his [Hartzfield's] instructor at the University of Pennsylvania. He said, "Before you decide who you're going to do your work I want you to do one thing. I want you to read the book Design with Nature by McHarg."

HD: I remember seeing that reference.

GM: I did. So then I said, "All right, McHarg, would you come with us to do this project?" He said he'd jump at the chance. I told him we wanted to do the master plan and he would do the environmental study and the master plan. I looked at all of them - I looked at two or three on the west coast. Nobody in this part of the country had enough experience to do the type of master plan I wanted done. So I looked all over the country and I found out that William L. Pereira had done Irvine. He had one one in Iran at the time. I even talked to Dr. (unintelligible),

the Greek planner at that time but I didn't see how he could come over and make it work. He was doing some great work then.

HD: But you had given this an awful lot of thought and study. That's what's amazing to me, that you cast your net world-wide.

GM: Because, in order to make it something so different and so important you had to get the best talent, the best thought you could get anywhere. So then we had meetings with the environmentalists. McHarg came in before Pereira got started, and he brought ten scientists along with him. We did infra-red photography on the tract and we knew all the trees. We knew where to put the lines. We knew where to put the golf course and things like that. McHarg had done so remarkably well so early, that we've weathered three big storms since - ten inch rains. So what we've done is protect the wild life and flora. We did the first environmental impact statement ever done for HUD. They used it as a model for all the projects like this. This is what we did because McHarg spent one year concentrating on the environment before we did any master planning, and then we put the plan together with McHarg and then with Pereira and McHarg. We haven't changed too much in our approach to how you protect the trees - and they in turn protect the wild-life. All those things were thought of early on. This is what no-one had done before. Then how do you urbanize? How do you make the project a part of the Houston community? We finally put all the block together, the full twenty-five thousand, some just five or six years ago. The last pieces, we've got some now on the south side of the creek, we're trying to build a big lake, that'll be in the

next ten years.

How do you put this block together, how do you really become part of the whole? Houston, Texas has a unique law of extra-territorial jurisdiction. If the five mile boundary from the city limits touches your land, and it barely touches our southern boundary, then you can ask the city of Houston to take the whole twenty-five thousand acres into their extra-territorial jurisdiction; which means that no-one can incorporate unless the City of Houston approves it. Now what that means is that as you urbanize, you make your town a part of the Houston community.

The flight to the suburb of the talent and the tax base is killing all the towns. People get out in their little political subdivisions and they could care less about New York City, etc. Around Washington they could care less about Washington, D. C. and that lack of care, of not being concerned, is what is destroying all our cities. As time goes on, if the talent flees to the suburbs it's going to destroy all your cities. The Woodlands can't do that. Those that have talent in The Woodlands (if I have any talent, if Joe has any talent) we have got to make Houston work, because The Woodlands needs the city and the city needs The Woodlands.

HD: So your initial point is that once you get there it is going to be part of the city.

GM: Now let me say this. The people in The Woodlands won't like that. Many feel that if you do this, Houston will annex you prematurely and you'll really get cut to pieces. Not many people want to live downtown on the 610 Loop. Some people do -- maybe four or five percent. What people really want is to be part of

the whole, but have the kind of life-style that they want. Then it's necessary to build a job base. We worked on, studied the commercial side and the high-tech side. We are someday going to have a research park in the area similar to the Research Triangle in North Carolina. We've already got a good start. So that's the concept that's all coming together. That is very complex and very difficult to execute.

HD: At what point did your concept of having an economically integrated community begin to develop? In other words, the decision to develop job opportunities for the people in The Woodlands?

GM: We did a three legged stool as a kind of model. The three legs are the natural environment, man, and the economy. If they don't all work together they won't work at all. If you take one leg off, it won't work. Now this is the concept that we struggled with at the very beginning. Now remember this - these projects are very difficult. In fact, you don't start turning them around for ten years and major companies don't want to tackle them. You've got to have long range thought to make them work. Hopefully we've got the energy to help us over the rough spots. If you don't have the energy you can never do these projects.

I found out about HUD's program in 1970, I think it was - found out that they had the New Community Act. We looked at Title 7, which didn't look good. Then we went to Title 10 which provided government guarantees of up to fifty million dollars in loans. We convinced HUD that this was the best project they'd

ever seen and they provided the largest guarantee. They did give us some grants for roads and subsidized housing, but the fifty million dollars was a guaranteed loan. We had to pay it back. We're still paying it back. I kid HUD all the time. I say, "Don't feel so bad, we're going to survive, you got two others that might survive with your help, that's three out of thirteen. You're doing pretty good. You got three out of thirteen." But they won't carry the message to Congress.

HD: What was the HUD problem?

GM: Bureaucracy!

We studied the concept. We knew the woods would bring people. They love to live in the woods. We knew that I45 was being built. It wasn't far from being finished right by The Woodlands. We had to have that. We studied the whole airport. It wasn't finished yet but we knew that the sonic thing was going to be. It wasn't finished yet. We studied all those things to make the project work because failure of any of those could lead to a serious flaw and destroy the project. It was a long, difficult procedure. We weren't sure . . . .

HD: What about the research component of The Woodlands? Where did this come from?

GM: What we did early on was to invite the University of Houston to use four hundred acres in The Woodlands for a North Campus. But the legislature would not approve a new campus -- A&M fought them all the time -- so we said why don't we get the four universities together. That's when I had Arthur D. Little make a study to determine the feasibility of a major research complex. I looked at the histories of Stanford Research and the Research

Triangle in North Carolina. They looked like the "Perils of Pauline." I read all the case histories of those projects. I felt that with a little study the same kind of thing could be done here. Little said it's feasible if you get those four universities to agree. So I went to A&M and Rice and U. of H. Board of Regents and they agreed and said, "OK, we will try to do this type of project that we could do together better than we could do individually." So after I got them on I asked Ken [Ashworth] if I could go get U.T. Austin. He said go ahead.

HD: Who are you talking to, incidentally, at A&M?

GM: I've forgotten now who was the president at that time.

HD: Williams?

GM: I got approval, in '80 I think it was, or '79-'80. I went to the Board, had to go to the Board. I went up there and saw Miller, I guess it was, or whoever I saw. I went two or three trips and said, "All right, let's bring it before the Board."

HD: But you got a pretty good reception . . . .

GM: I got a good reception - sure. They knew I was a former Aggie and I would protect the Aggies' interests and then when I got U.T. they agreed to join us. Really, without the Super Conductor - Super Collider you wouldn't have cooperative work. I had to pull those universities together with Peter MacIntyre and myself. Peter of course is the Godfather of the SSC, and then I helped put the first money together for them to make it work. Otherwise Texas would never have that eight billion dollar project. So those are things that in the next ten years you're going to write about as very important.

HD: But was research supposed to give you a certain style of life, or quality of life, in The Woodlands?

GM: Let me give you an opinion. I studied the Research Triangle over several years, and I studied the history of new communities. Governor Hodges of North Carolina had a terrible time getting started. But the three universities there helped make it work and then the people made it work. The whole state worked at it. Here, you've got a state that's divided between the Panhandle area, San Antonio area, and the Houston area. You can't get everybody to go together. The Dallas-Ft. Worth area is of course part of the North Texas area. We have to work on a regional basis. It's very hard to get. You give it ten or twenty or thirty years it could be as important to this region as the Texas Medical Center. If, at another level, you can get the private sector engaged with the universities, you can create a whole new framework for cooperative enterprise. Universities can't do that very well, and we can! We've already done about nine venture-capital companies, with M. D. Anderson, with A&M, with Baylor, and with Rice University. We helped put together the research projects. We did advanced research with LSU. Those are things for which you build a political framework. We're getting about a thousand scientists. When you get about five thousand scientists, it will really take off. I think this is important for the region.

HD: What kind of research is being stressed? Any particular direction, such as petroleum?

GM: That's just one. We've got about seven centers in the Houston Advance Research Center. One of the most important



centers we started out there (Joe Kutchin and I started in about 1973) is the Center for Growth Studies which relates to what's happening to all of us from the standpoint of the pressure of population, the environment, and other such issues. We've got to change the name. It ought to be the Center for Sustainable Society Studies. I don't know. You see what I'm talking about? We've been working on it since 1973 and here we have seven centers out there; we've got the Accelerator Center, we've got the Super Computer, we've got a Laser Center, we've got one on energy - geo-technology - that's doing good work. We're trying to develop a clearing house of research that a major company would participate with us, the universities, and DOE [Department of Energy]. That's important. Energy technology was all developed in this part of the country. Our off-shore drilling, our petro-chemical, work our everything was developed in this part of the country. Dallas, Ft. Worth, Houston, a little bit in Oklahoma . . . .

HD: I guess there really is no comparable industry?

GM: There's nothing comparable. This state will lose out in another twenty years if we don't really get re-ignited again. So we work! That would be one of the geo-technology functions -- to try to weld the private sector to the university and government sector, and with the talent you have in this region to stay ahead of research in the world in exploration and production and, of course, petrochemicals, too. I'm not worried about the oil reserves, but it could go out. The universities are so jealous, they want to do everything right there in their own little world

and that's fine, but it's very difficult to work with, I don't have to tell you, you know about it better than I do. But, we're making progress.

HD: You've been very patient.

GM: We have to have perseverance.

HD: What do you see as the growth projections for The Woodlands? Are they strong?

GM: I think so.

HD: What is this going to lead to?

GM: I think an immediate need is to build the technology center to a really critical mass. This region deserves and needs it.