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gross

Q: Why is the President's/income for 1975 not simply \$250,000 which he makes in salary and expense account?

A: The extra money is accounted for by a combination of dividends, interest on bank accounts, and net rental income from his rental properties.

Q. Is it proper to include the \$50,000 expense account as gross income?

A: It is required by law that it be treated as income, and therefore it is taxable unless accounted for as a business expense item.

Q: Please account for the differences between the President's gross income and his taxable income:

A: There are three basic items which account for the differences: One is personal exemptions. The President has claimed five exemptions; for himself, Mrs. Ford, and three children, @ \$750 each, totalling \$3750. Secondly, the deductions, as shown on the chart; and third, business expenses accounted for specifically in the President's return.

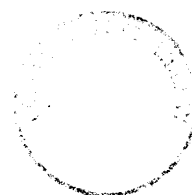
Q: Which of the President's children did he not claim?

A: It is our understanding that he did not claim Steve Ford because he was not living at home and he is not a fulltime student.

Q: What kind of business expenses could the President have and claim?

A: One good example of the type of business expenses the President incurs is the cost associated with purchasing and mailing out the more than 35,000 Christmas cards this past year.

(More)



Q: What are the charitable contributions the President made and claimed on his return?

A: We feel that the President's charitable contributions are a private matter. As I told you earlier, most of this was in small contributions to such organizations as the Boy Scouts, American Red Cross, etc.

Q: Where does the President pay his State taxes?

A: Michigan

Q: What other taxes does the President pay beside state taxes to Michigan?

A: He pays property taxes on his rental properties and sales taxes, which are deducted from the standard tax tables.

Q: Private accountants will say that according to the tax tables, he should pay more than the \$94,000 on a \$204,000 taxable income. Why the difference?

A: That kind of a problem is associated with the use of a standard tax table. Under the tax laws, a maximum of 50% tax is the rate on earned income that is salaried income and a maximum 70% on unearned income, such as dividends and bond interest. Almost all of the President's income was salaried income; therefore the limitation of 50% marginal tax rate applied. His tax rate would be higher if he had had more unearned income for dividends, interest, etc. The X,Y,Z tables and Schedule 4726 were used in computing his tax.

Q: What interest payments does the President have?

A: The President has a few small outstanding ~~loans~~ loans; for example, one loan was to enlarge his Alexandria, Virginia, home when he closed in the garage, after becoming Vice President, to use as a room for the Secret Service.

As you can see, the interest in 1975 was less than half of the interest in 1974. This indicates that the President used some of his 1975 income to reduce his loans.

Q: Why didn't you update his financial statement which you put out before

A: That was a statement of the President as of December 31, 1975. It has not changed since then, and net worth statements are traditionally put out at the end of the calendar years.

THE HONORABLE GERALD R. AND ELIZABETH B. FORD  
STATEMENT OF NET WORTH  
DECEMBER 31, 1975

ASSETS

Cash in Banks		\$ 1,239
Securities:		
Ford Paint and Varnish Co. - Debenture Bonds	\$ 9,031	
Central Telephone of Illinois - Stock	2,734	
Stein Roe Farnum Balance Fund - Stock	<u>1,208</u>	12,973
Cash Value - Life Insurance:		
Gerald R. Ford (Face Value \$ 25,000.00)	\$ 8,267	
Elizabeth B. Ford (Face Value \$ 5,000.00)	<u>1,634</u>	9,901
U. S. Congressional Retirement Fund - Contributed Cost		53,701
Real Estate:		
Residence - Alexandria, Virginia	\$ 90,000	
Condominium - Vail, Colorado	90,000	
Rental Dwelling - Grand Rapids, Michigan	30,000	
Cabin - South Branch Township, Michigan (1/4 Interest)	<u>2,000</u>	212,000
Furnishings and Personal Effects:		
Residence	\$ 20,000	
Condominium	6,000	
Rental Dwelling	<u>2,000</u>	28,000
Automobiles and Other Vehicles		<u>6,875</u>
<u>TOTAL ASSETS</u>		<u>\$ 324,689</u>

LIABILITIES

General Bills Outstanding		\$ <u>1,200</u>
<u>NET WORTH</u>		<u>\$ 323,489</u>



THE HONORABLE GERALD R. AND ELIZABETH B. FORD  
NOTES TO STATEMENT OF NET WORTH  
DECEMBER 31, 1975

The Cash in Bank consists of accounts at the Central Bank N.A. Grand Rapids, a business account and a personal account at the First National Bank of Washington.

The Debenture Bonds are with the Ford Paint and Varnish Co.

The Stock consists of 135 Shares of Central Telephone of Illinois and 72.206 Shares of Stein Roe Farnum Balance Fund.

All securities were valued as of December 31, 1975.

The cash value Life Insurance was supplied by New England Mutual Life Insurance Company.

The U. S. Congressional Retirement Fund represents your contributed cost to December 31, 1975.

The value of the Real Estate, Furnishings and Personal Effects represent estimated market values determined by you and are in excess of the original cost.

The automobiles and other vehicles consist of a 1974 Jeep, 1972 Jeep and a 1971 Mustang. These vehicles were valued by Orson E. Coe owner of Coe Pontiac, Grand Rapids, Michigan.

The general bills outstanding are estimated miscellaneous items unpaid at December 31, 1975.





EXHIBIT 3

GRAND RAPIDS, MICH., October 29, 1973.

Hon. HOWARD W. CANNON, Chairman, U.S. Senate Committee on Rules and Administration, the Capitol, Washington, D.C.

DEAR SIR: In accordance with Congressman Gerald R. Ford's request we have prepared and are submitting to you the enclosed statement of his and Mrs. Ford's net worth as of September 30, 1973. The statement of net worth should be considered in conjunction with the notes to the statement which are attached.

This firm has served as Congressman Ford's tax accountants since 1949 and we are generally familiar with all of his financial records and transactions.

For purposes of preparing this statement of net worth, we have relied on the complete financial information supplied by Congressman Ford each year, and stored in this office, consisting of check books, bank statements, cancelled checks and deposit slips. The market values of the Real Estate and furnishings were supplied by Congressman Ford and represent his estimate of current values.

Sincerely, ROBERT J. McDAIN, Certified Public Accountant.

Gerald R. and Elizabeth B. Ford, statement of net worth, Sept. 30, 1973

Table with 2 columns: Description and Amount. Includes sections for Assets (Cash in banks, Securities, Cash value—life insurance, Real Estate, Furnishings, Automobiles and other vehicles) and Total assets (\$201,678).

Table with 2 columns: Description and Amount. Includes Liabilities (Notes payable, General bills outstanding) and Net worth (\$256,378).

GERALD R. AND ELIZABETH B. FORD, NOTES TO STATEMENT OF NET WORTH, SEPTEMBER 30, 1973

The cash in banks consists of an account at Sergeant at Arms, Washington D.C., Central Bank, Grand Rapids, Michigan and Union Bank and Trust Co. Grand Rapids, Michigan.

The debenture bonds—Ford Patent and Varnish Co. are due on July 1, 1975. The stock securities consist of 135 shares of Central Telephone of Illinois and 60 shares of Stein How, Fairman Balance Fund valued at market value on September 30, 1973.

The cash value—life insurance was supplied by New England Mutual Life Insurance Co.

The U.S. Congressional retirement fund represents Congressman Ford's contributed cost to September 30, 1973.

The real estate and furnishings represent estimated market value supplied by Congressman Ford, which are in excess of original cost and values determined from property tax assessments.

The automobiles and other vehicles which consist of a 1968 Chrysler, 1972 Jeep, 1969 Mustang, 1971 Mustang and a 1972 Motorcycle, were valued by Berger Chevrolet Co. Grand Rapids, Michigan.

The notes payable—National Bank of Washington, are short-term notes maturing at 30-day intervals.

The general bills outstanding are estimated miscellaneous items unpaid at September 30, 1973.

THE WHITE HOUSE

WASHINGTON

April 16, 1976

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP W. BUCHEN *P.*

SUBJECT: Request for Equal Time Waiver

Adrian Weiss Productions has requested that you waive your rights under Section 315 of the Communications Act to permit the television broadcast of two of Ronald Reagan's old movies -- "Cattle Queen of Montana" and "Tennessee's Partner."

Recommendation

Stu Spencer, Bob Visser and I recommend that you sign the attached waiver.





THE WHITE HOUSE

WASHINGTON

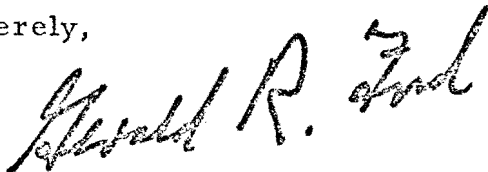
April 20, 1976

Dear Mr. Weiss:

It is my understanding that Adrian Weiss Productions has requested that I waive my rights for equal time under Section 315 of the Communications Act so that it may broadcast a number of Mr. Ronald Reagan's old films. This waiver would eliminate any claim for equal time that might arise from the showing of "Cattle Queen of Montana" and "Tennessee's Partner".

Since the nature and context of these two films do not relate to or affect the political process, I am willing to grant such waiver of my rights to equal time provided under Section 315 of the Communications Act.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Ford". The signature is written in dark ink and is positioned below the word "Sincerely,".

Mr. Adrian Weiss  
Adrian Weiss Productions  
186 North Canon Drive  
Beverly Hills, California 90210

President Ford Library

Washington, D.C. 20540

April 15, 1976

MEMORANDUM


TO: Philip Buchen  
Legal Counsel

FROM: Tim Ryan 

RE: Request for Waiver -- Adrian Weiss Productions

After conversations with Stu Spencer of this office and Mr. Adrian Weiss, we agree with your decision to recommend a waiver of "equal time" under Section 315 of the Communications Act for the two Reagan films noted on the draft letter to the President. If you have any comments or changes, please contact us.

T.T.R.



DRAFT OF LETTER TO  
ADRIAN WEISS PRODUCTIONS

Mr. Adrian Weiss  
Adrian Weiss Productions  
186 North Canon Drive  
Beverly Hills, California 90210


Dear Mr. Weiss:

It is my understanding that Adrian Weiss Productions has requested that I waive my rights for equal time under Section 315 of the Communications Act so that it may broadcast a number of Mr. Ronald Reagan's old films. This waiver would eliminate any claim for equal time that might arise from the showing of "Cattle Queen of Montana" and "Tennessee's Partner".

Since the nature and context of these two films do not relate to or affect the political process, I am willing to grant such waiver of my rights to equal time provided under Section 315 of the Communications Act.

Sincerely,

Gerald R. Ford



THE WHITE HOUSE

WASHINGTON

March 30, 1976

Dear Bob:

As I discussed with you over the telephone, Adrian Weiss Productions would like to receive a waiver from President Ford of his rights under Section 315 of the Communications Act. The purpose of this waiver is to eliminate any claim to equal time on the part of the President that might arise from the use of broadcast facilities to show two of Ronald Reagan's old movies which are owned by Adrian Weiss Productions.

Enclosed are copies of letters received from the Productions firm. The information sheet describing the two pictures was not enclosed, but I learned by telephone that the titles of the two films are:

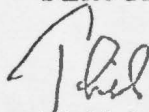
"Cattle Queen of Montana"  
"Tennessee's Partner"

I assume the titles say enough about the nature of the films. I would think it appropriate to grant the requested waiver, but I think this is a matter for the President Ford Committee to dispose of by an appropriate recommendation to the President and, if a waiver is recommended, a form of letter for the President to sign.

Enclosed also is a copy of a 1966 Federal Communication Commission's letter which deals with the subject of Section 315 waivers.

I believe Mr. Weiss would appreciate a prompt response from you.

Sincerely,



Philip W. Buchen  
Counsel to the President

Mr. Robert Visser  
General Counsel  
President Ford Committee  
1828 L Street, N. W.  
Washington, D. C. 20036

Enclosures



March 17, 1976

Philip W. Buchen, Esquire  
Personal Counsel to President Gerald R. Ford  
White House  
1400 Pennsylvania Avenue  
Washington, D.C.

Dear Mr. Buchen:

I am quite concerned regarding your delay in not answering my letter of March 3, 1976 inasmuch as the certified mail return receipt shows that said letter was delivered to you on March 8th.

As each day goes by I continue to lose revenue and pay bank interest due to the equal time doctrine and resultant television station taboo on exhibiting the two Ronald Reagan pictures thereby negating the small group of nine (9) titles of which the Reagan pictures are part and parcel.

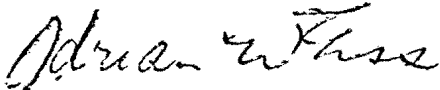
I was brought up to believe that every man's home is his castle, that every citizen has certain definite inalienable rights and since I hope that I fall in the aforementioned category I once more respectfully request your immediate attention to this matter so that we may freely make use of property rights to which we are legally and morally entitled.

After you have screened the two questionable motion pictures and assured yourselves that the scope of each is not political in nature, I feel certain that President Ford will agree with my stand and therefore hope that President Ford will waive any demand for equal time.

Once again, I thank you for a prompt reply and your favorable consideration.

Very truly yours,

ADRIAN WEISS PRODUCTIONS



Adrian Weiss

AW:gb

March 3, 1976

Philip W. Buchen, Esquire  
Personal Counsel to President Gerald R. Ford  
White House  
1400 Pennsylvania Avenue  
Washington, D. C.

Dear Mr. Buchen:

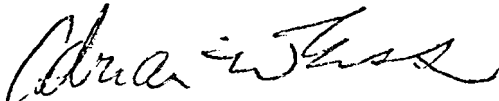
It has been brought to my attention through the enclosed newspaper article that you or your staff will take it upon yourselves to view the two (2) Ronald Reagan motion pictures we own, to determine whether or not there are any political overtones contained therein.

We respectfully request your immediate attention to this matter, in order that we may freely make use of our property rights to which we are legally and morally entitled, and hope that President Ford will waive any demand for equal time.

I shall thank you for a prompt reply and your favorable consideration.

Very truly yours,

ADRIAN WEISS PRODUCTIONS



Adrian Weiss

AW/g  
Enclosures

P.S. We are enclosing for your interregnum information, a press sheet on each of the two (2) motion pictures, from which it can be determined that the scope of each film is not political in nature.

SAN ANTONIO VOTING RIGHTS

- Q. The Justice Department last week objected to the 1972 annexation made by the City of San Antonio, acting under provisions of the Voting Rights Act, which was extended to Texas last year.

The Department disapproved the annexations because they diluted minority voting strength by 1.3 percent. Results of the action could tie up city elections for years and cause serious financial problems for the city.

You vetoed the child care bill Tuesday on the basis it was an unwarranted intrusion of federal power at the local level. Do you also view the Justice Department's action concerning San Antonio annexations as an unwarranted intrusion?

- A. First, there is no comparison between the Child Care Bill and the Voting Rights Act of 1965, and it is pointless to try to draw one.

But I am well aware that San Antonio has a problem as a result of the Voting Rights Act. Yesterday (4-8-76), I have been told, your mayor, Lila Cockrell, and members of your City Council were in Washington seeking answers to the problem. They met with Sen. Tower, Sen. Bentsen, and your representatives, and with officials of the Department of Justice.

I understand that it is possible to meet the Justice Department's objections by modifying San Antonio's at-large system of electing its council members so that they are elected on a district-by-district basis.

The Justice Department informs me that as a result of their meeting yesterday we learned that the City Council strongly favors single-member districts, and that efforts are now under way to attempt to achieve them and to remove the grounds under which the Justice Department objected to the annexations.

I have every confidence that the Department will make every effort to see that these negotiations are successful.

THE WHITE HOUSE  
WASHINGTON

THE PRESIDENT'S BRIEFING BOOK  
QUESTIONS AND ANSWERS

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FOR: TEXAS

APRIL 9-10

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## TEXAS

### State Profile

Texas, popularly known as the "Lone Star State" for the single star in its flag, won independence from Mexico in 1836, was a republic until 1845, and was annexed by the United States, becoming the 28th state. The state flower is the bluebonnet, the bird the mockingbird, the tree the pecan, the song "Texas, Our Texas." The state flag consists of a blue perpendicular stripe (next to the staff) on which is placed a single white star; and two horizontal stripes, the upper white, the lower red. The capital is Austin.

Obscured by a mist of myths conceived by others and by fictions maintained by its own, Texas has been extravagantly praised and deplored from its beginning. An early example of censure was a 16-page pamphlet written in 1845 by Edward Everett Hale: How to Conquer Texas, Before Texas Conquers Us. The tone of the censure had not changed much a century later. Never less than sixth of the United States in population in every federal census from 1900 to 1960, second largest in area, and first in its capacity for illusion, Texas is one of the few states to have been an independent nation (1836-45) before joining the Union. More than any other member of the former Confederate States of America (1861-65), Texas escaped the economic and social penalties of being a unit of the American South after 1900; beginning notably in the 1940's petroleum and later petrochemicals were its stimulants.

So great are its area and diversity, which are causes of problems peculiar to it, that Texas is easier to comprehend as a region than as a state. Indeed, it is unique in having the right to divide itself into more states, an event even less likely of realization than the transformation of Texans into a taciturn people. The joint resolution of the state's annexation to the United States says: "New States of convenient size, not exceeding four in number, in addition to the said State of Texas... may hereafter, by the consent of said State, be formed...." Any definition of the state's character is imperfect, a result of its vast area and diversity. The culture of the Rio Grande Valley is foreign to that of the Great Plains

area, hundreds of miles to the north. The concerns of the El Paso region are seldom those of the Texas that touches Louisiana, nearly 800 miles to the east. Dalhart, in the Texas Panhandle, is nearer to the capitals of New Mexico, Kansas, Colorado, Oklahoma, and Nebraska than to the capital of Texas. The state's area is as much an obstacle as an advantage.

Texas is almost exactly midway between the Atlantic and Pacific. Its 624 miles seacoast is the third longest of the conterminous states. It has a border touching a foreign nation whose civilization, language, and dominant religion differ from its own, longer than all the rest of the states together. It is a land of extremes, and of such almost inconceivable variety that it cannot be compared with any other state, not even with any other equal land area in the nation. Its mineral wealth is its fortune: since the 1930's it has been first among the states in the value of its mineral production, mainly oil and natural gas.

Texas is divided by the four North American physiographic regions that extend into it: the Gulf coastal plain, entering from the east; the central lowlands, from the north; the Great Plains, from the northwest; and the eastern ranges of the Rocky Mountains, which cross the Texas Trans-Pecos region (the western part of the state between the Rio Grande and the southern boundary of New Mexico), also from the northwest.

The historian Walter Prescott Webb has shown that by accident "Texas stands in the physical path of a special destiny." The accident is a cultural triangle in which three natural environments, three molds of separate cultures, meet and oppose each other in Texas: the woodlands, the plains, and the desert. There is also a fourth, the sea.

Texas is the only state to retain ownership of its public lands, a circumstance of large importance in financing education. The republic of Texas claimed a public domain of more than 225,000,000 acres. By the Compromise of 1850, 72,892,000 acres of this land were transferred to the United States for \$10,000,000 and, in 1855, an additional \$2,750,000. The transferred land eventually formed parts of the states of New Mexico, Kansas, Colorado, and Wyoming. Nearly 52,000,000 acres, or roughly 30% of the state's total area, were given to benefit public

education, later endowed by land sales, rents, mineral leases, and royalties.

More important are the distinctive contributions of Texas to Western civilization: The union of the common and the civil law that produced the doctrines of community property and homestead exemption, the abolition of special pleading, and the blending of law and equity in a single court. These innovations, growing out of the Texas revolution, have spread not only throughout the United States but to some extent throughout the English-speaking world.

### History

Man has been traced through 15,000 years of the state's history, but historically---the time in which people of European origin have known the land that became Texas---the state's history began early in the 16th century.

The Spaniard Cabeza de Vaca opened the period of exploration when he and three companions, sole survivors of a wrecked ship, washed up on the Gulf Coast in 1528. Years later he wrote an account of this adventure, the first written record of the land. Within two decades Francisco V. de Coronado and the followers of Hernando de Soto, searching for mythical cities of gold and gems, explored parts of Texas. The first settlement in Texas was made in the extreme western part of the state, near El Paso, in 1682, an accident of fate for which the Indians of New Mexico, revolting against Spanish rule, were responsible. The next settlements were made in the extreme eastern part of Texas, in 1690, when French desires for the land aroused Spanish to establish missions there.

For three centuries after Cabeza de Vaca the land belonged to the Spaniards, then to the Mexicans for a brief interval (1821-36), and afterward to Americans. Mexico, of which Texas was a part, won its independence from Spain in 1821. Late that year 300 American families, led by Stephen F. Austin, 28, began colonizing land granted by Mexico. Other groups followed until perhaps 30,000 Americans, four times the number of Mexicans, were living in Texas by 1836. The Mexican government, though suspicious of the burgeoning American population in Texas, was unable to cope with it


while contending with its own spasms of revolution and a rapid succession of administrations. The American colonists got their land from Mexico, but their different language and culture caused them to shun the republic. Mexico tried in vain to discipline the colonists. It abolished slavery, it levied duties, it established military garrisons, and at last it declared martial law and tried to disarm the Texans. Inevitably, fighting erupted at several points, notably at Gonzales on October 2, 1835, when the Mexicans were first repulsed in the first battle of the Texas revolution.

On March 2, 1836, when the Mexican dictator Antonio Lopez de Santa Anna had recaptured San Antonio and was closing in on the Alamo's few defenders, Texans meeting at Washington-on-the-Brazos declared their independence, established the Republic of Texas, and elected David G. Burnet provisional president. Command of the army was given to Sam Houston, formerly a United States congressman and governor of Tennessee, who is the most remarkable figure in Texas history.

The new nation endured perilously for a period of almost ten years. After Texas was annexed by the United States, technically on December 29, 1845, but in fact on February 19, 1846, a war with Mexico ended the contest for the land.

Sam Houston, hero of the revolution, twice president of the republic, loved and loathed by the people, who divided for and against this expert at controversy, was elected to the United States Senate soon after Texas was admitted to the Union. He was replaced in 1859, after nearly 14 years in the Senate, when the Texas legislature took revenge for his belief that the Union should be preserved and refused to reelect him. ("I make no distinction between southern rights and northern rights," Houston said late in 1858. "Our rights are rights common to the whole Union.") In an astonishing proof of his powers, he was then elected governor without silencing his appeals for unity before an electorate that yearned for secession.

The state's role in the Confederacy and the Civil War was not important except as a supplier of men, material, and services. But it paid a large price during the excesses of Reconstruction. Texas was the ninth state in the nation



in per capita wealth in 1860; in 1880, seven years after Reconstruction ended in Texas, it was 36th. Texas was one of the last Confederate states to be readmitted to the Union (1870), but radicals controlled the state until 1873. Livestock and railroad interests dominated the state between Reconstruction and the end of the century. In 1901, when the Spindletop oil gusher blew in at Beaumont, oil began more than half a century of dominance.

## TEXAS

### Demographics

#### 1970 Texas Population At A Glance

Total	11,196,730	Males	5,481,169
Urban	8,920,946	Females	5,715,561
Urban Fringe (Suburban)	1,530,717	Whites	9,717,128
Rural	2,275,784	Blacks	1,399,005
Farm	386,174	Spanish Language	2,059,671

How Many? Texas's population in the 1970 census totaled 11,196,730, ranking it fourth among the States and the District of Columbia. Its population density was 43 persons per square mile. The 1970 population was 80 percent urban and 20 percent rural.

The 1970 total was 17 percent greater than the 1960 population. Most of the growth was due to a natural increase (births minus deaths) of 1,471,000 persons. Texas also showed a net gain of 146,000 because of migration into the State.

Houston, the State's largest city, had a 1970 population of 1,232,802, an increase of 31 percent over 1960. The Houston Standard Metropolitan Statistical Area also gained population-- its 1970 total of 1,985,031 was 40 percent more than in 1960.

Other major Texas cities and their 1960-70 percentage changes were:

Dallas	844,401 + 24%	El Paso	322,261 + 17%
San Antonio	654,153 + 11%	Austin	251,808 + 35%
Fort Worth	393,476 + 10%	Corpus Christi	204,525 + 22%

Ethnic Groups: Major nationalities in Texas' first and second generations from other countries included 711,058 from Mexico (193,639 born there); 104,726 from Germany (19,386 born there); 49,185 from the United Kingdom (12,486 born there); 35,900 from Canada (8,859 born there); 29,536 from Czechoslovakia (3,568 born there). There were 2,059,671 persons of Spanish language or surname.

Racial Makeup. The white population totaled 9,717,128 in 1970. Other racial groups included 1,399,005 blacks (18 percent more than in 1960); 17,957 American Indians; 6,537 Japanese; 7,635 Chinese and 3,442 Filipinos.

Age of the Population. The median age of the Texas population was 26.4 years, compared with 28.1 years for U.S. Of Texas' population, 992,059 were 65 or older and 1,000,509 were under 5 years. The total of school age, 5 to 17, was 2,999,327 and the college age group, 18 to 21 numbered 823,315. The remainder, 22 to 64, totaled 5,381,520.

Income. The median family income in 1969 (the last reported year) was \$8,486, ranking the State 34th in median family income. The U.S. median was \$9,586. The Texas median for white families was \$8,926; for black families it was \$5,330.

About 15 percent of the State's families (413,804 families) were below the low-income or poverty line in 1969. The 1969 poverty level was \$3,743 for a nonfarm family of four.

Schooling. There were 3,224,041 Texans three to thirty-four years old enrolled in school or college at the time of the census: 52,762 of them were in nursery school; 2,045,108 in kindergarten or elementary school; 775,503 in high school; and 350,668 in college.

Of the 5,817,555 persons 25 or older in Texas, 47 percent had completed at least four years of high school and 11 percent at least four years of college. The median number of school years finished by this age group was 11.6, compared with the national median of 12.1 years.

Among Texans in their working years (16 to 64), 28 percent of the men and 22 percent of women with less than 15 years of schooling had had vocational training of some type.

Workers and Jobs. There were 2,853,736 men workers age 16 or older in 1970; 2,611,119 of them had civilian jobs and 161,720 were in the Armed Forces. Women workers totaled 1,610,881 of whom 1,530,410 had civilian jobs and 5,111 were in the Armed Forces.



There were 562,421 men working as craftsmen, foremen, and kindred workers (in skilled blue collar jobs); 354,885 in professional, technical, or kindred jobs; 318,571 working as nontransport operatives (chiefly operators of equipment in manufacturing industries); and 304,392 nonfarm managers and administrators.

A total of 532,940 women were employed in clerical and kindred jobs; 274,689 in nonhousehold service work; 241,074 in professional, technical, or kindred jobs; and 142,259 working as nontransport operatives.

There were 192,234 Federal employees, 172,577 State employees, and 275,564 local government employees at the time of the 1970 census.

Texas' Housing. Housing units for year-round use numbered 3,808,406 in 1970, a 24 percent increase over 1960. They had a median of 4.8 rooms per unit and 81 percent were single family homes. Thirty-one percent of the units were built between 1960 and 1970.

A total of 3,433,996 units were occupied with an average of 3.2 persons per unit. Sixty-five percent were occupied by the owners. Median value of owner-occupied units was \$12,100 and renters paid a median of \$95 per month.

The presence of piped water, toilet, and bath for exclusive use of the household is an indication of housing quality. In 1970, 8 percent of all year-round housing in Texas lacked complete plumbing facilities, compared with 7 percent for the U.S.

Ninety-four percent of the households had television; 65 percent clothes washing machines; 34 percent clothes dryers; 23 percent dishwashers; 32 percent home food freezers; 40 percent two or more cars; and 5 percent owned a second home.

Farming in Texas. The 1969 Census of Agriculture counted 213,550 farms and ranches in the State, 4 percent more than in 1964. Texas was the only State to show an increase in the number of farms in 1969. The average size of farms and ranches decreased from 691 acres in 1964 to 668 acres in 1969. The average value per farm was \$99,133; the average value per acre, \$148.

The 1970 farm and ranch population totaled 386,174, a 44 percent decrease from 1970.

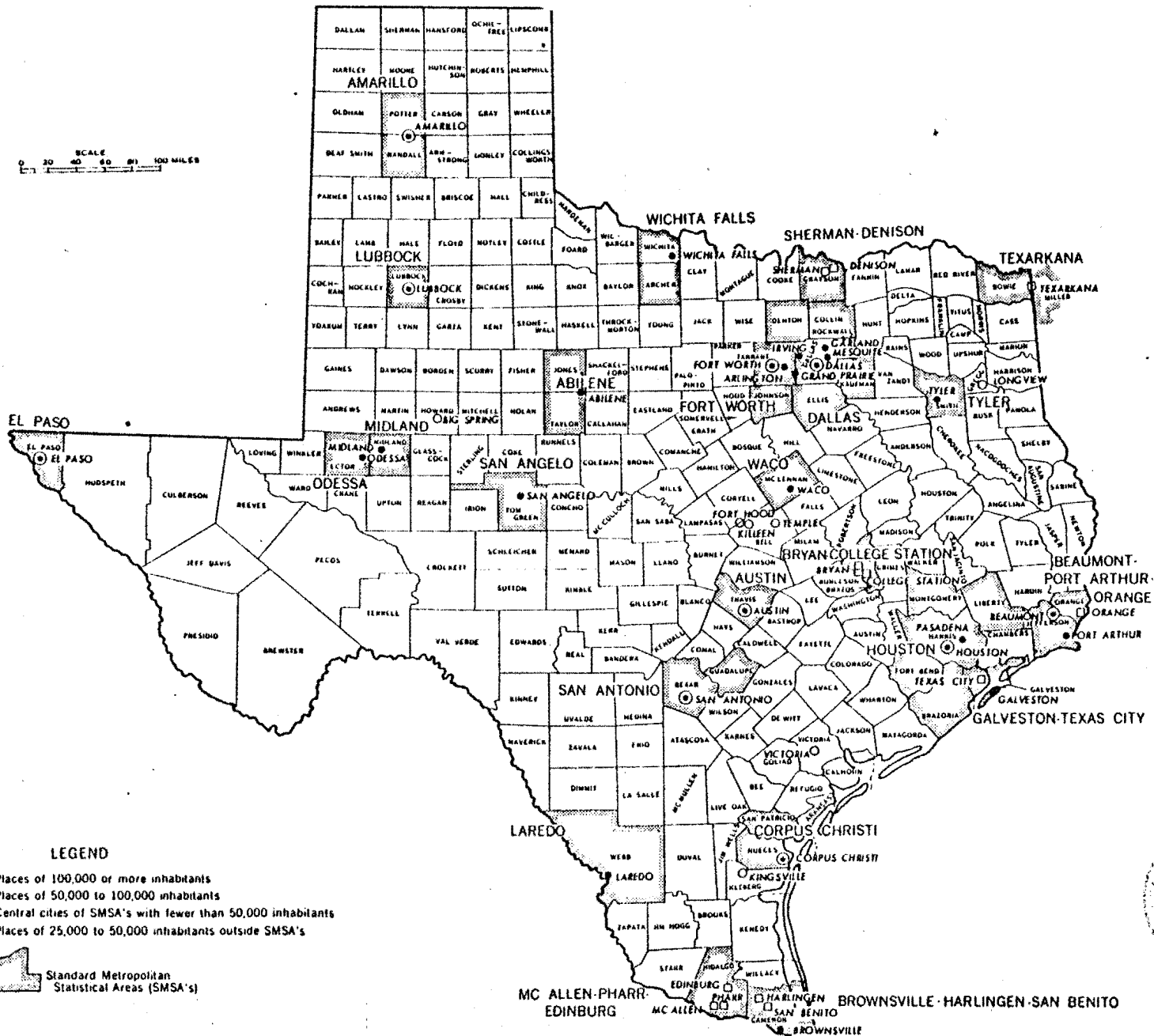
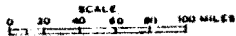
The market value of all agricultural products sold by Texas farms and ranches was \$3.3 billion. Livestock, poultry, and their products accounted for \$2.3 billion; crops \$1 billion; and forest products, \$4.1 million.

The Federal Presence

1974 Share of Federal Tax Burden \$13,658,580,000; 5.10% of U.S. total, 6th largest.

1974 Share of Federal Outlays \$14,337,329,000; 5.31% of U.S. total, 3d largest. Per capita federal spending, \$1280.

DOD	\$5,140,718,000	2d	(7.5%)
AEC	\$33,056,000	16th	(1.08%)
NASA	\$294,448,000	2d	(9.92%)
DOT	\$410,319,000	4th	(4.85%)
DOC	\$30,340,000	9th	(1.88%)
DOI	\$59,593,000	12th	(2.42%)
USDA	\$992,254,000	2d	(7.97%)
HEW	\$4,235,647,000	5th	(4.57%)
HUD	\$63,762,000	5th	(6.54%)
VA	\$832,446,000	3d	(6.09%)
EPA	\$61,629,000	15th	(1.96%)
REVS	\$228,685,000	5th	(4.75%)
Int.	\$332,338,000	9th	(1.57%)
Other	\$1,572,094,000		



CAMPAIGN PROFILE

10/10/10

## TEXAS

### Political Profile

Source: Almanac of American Politics, 1976

Everybody's image of Texas and the Texan is pretty much the same: cowboys, cattle, and the happy new oil millionaires. This stereotype has some truth, but not much. Before the east Texas oil strike of the 1930's, the typical Texan was a poor dirt farmer, and even today the state has many more marginal farmers than millionaires. Moreover, the descendants of the white men who came to Texas with Sam Houston and defended the Alamo are greatly outnumbered by the 18% of all Texans who are of Mexican descent.

In one respect, however, the stereotypical picture of Texas is accurate: the state is a vast one; it is farther from El Paso to Texarkana--or from Amarillo to Brownsville--than it is from Chicago to New York. Despite its size, Texas lost its status as the nation's biggest state when Alaska became one in 1959. Nevertheless, during the 1960's, Texas passed both Illinois and Ohio to become the fourth largest in population, and in 1980, Texas will outrank Pennsylvania to occupy the number three position.


"In no other state," writes Neal Pierce an expert on all 50 of them, "has the control (of a moneyed establishment) been so direct, so unambiguous, so commonly accepted." The biggest money here is in oil, but Texas millionaires are also big in petrochemicals, construction (Brown & Root, an LBJ favorite), insurance, and computers. Almost without exception, the big money men are conservative and have chosen--at least until recently--to exert control through the Democratic Party. Big money put pressure on congressional powers like Sam Rayburn and Senate Majority Leader Lyndon Johnson, neither of whom brooked any tampering with the oil depletion allowance. But the rich have devoted most of their efforts to statewide politics. Their heroes are Tory Democrats such as ex-Governor (1963-68) John B. Connally. Present Governor Dolph Briscoe, reportedly the biggest landowner in Texas, has run a conservative, colorless administration. People figure, apparently correctly, that he is too rich to steal, and he has not allowed any issues to arise that would rile up a group of voters.



Briscoe's electoral triumphs were all the more impressive in that they ran against the flow of demographic change in Texas. His greatest strength, and that of all the Tory Democrats before him had been in rural and small town Texas, a part of the state which is losing population--and votes. In 1960 the 221 Texan counties with fewer than 50,000 people cast 33% of the state's votes; in 1972 they cast only 26%. The big cities, Houston, Dallas, Fort Worth, and San Antonio, where politics is increasingly a struggle between ideologically motivated conservative Republicans and liberal Democrats, have been increasing their theoretical clout; in 1960, they cast 36% of the State's vote, in 1972, 43%.

Another election which ran against these trends was the victory of Senator Lloyd Bentsen in 1970. The genesis of his candidacy was the feud which brought John Kennedy to Dallas that terrible day in November 1963, the ideological and personal struggle between liberal Democratic Senator Ralph Yarborough and John Connally. Yarborough had first won with a minority of the vote in a 1957 special election, and had been reelected in 1958 and 1964 primarily because of Lyndon Johnson's squelching the Tory opposition. But in 1970 Connally and others had a successful candidate in Lloyd Bentsen, a former Congressman (1947-55), who as a young man had urged nuclear bombing of North Korea.

Bentsen's senior colleague, John Tower, is something of an accidental Senator--a beneficiary of good luck and hard work; he is now, after some years of obscurity, one of the more important Republicans in the Senate. In 1959, Tower was an unknown professor at Midwestern University at Wichita Falls, financially well off but politically nowhere, an ideological conservative Republican in a pragmatically Democratic state. In 1960 he waged a quixotic campaign against Lyndon Johnson, and partly because of resentment over Johnson's double candidacy that year--and remember that the Kennedy-Johnson ticket won just 51% of the vote in Texas--won a surprisingly good 41% of the vote. In the 1961 special election to fill Johnson's seat, he ran again, and that time beat the ultra-conservative Democrat appointed to fill the vacancy. Five years later Tower won with his largest margin to date--57%--against Attorney General Waggoner Carr, a Tory Democrat in preference to whom many liberals voted for Tower (in the probably mistaken belief that he would be easier to dislodge someday.)



Only in 1972 did Tower really win a solid victory that can be described without footnotes, beating a mildly liberal Democrat named Barefoot Sanders by a 55-45 margin. Even here, Tower was helped by an unanticipated trend. As late as 1968, the rural areas of Texas had remained solidly Democratic, providing key votes in Hubert Humphrey's 41-40 victory over Richard Nixon in the state. But in 1972, the rural areas went for Nixon by better than a 2-1 margin, and they also went, for the first time, solidly for a state Republican candidate, Tower. So this Senator, whose political base had previously been very much in Texas's big cities, seemed to carve out a new and larger constituency for himself.

Tower now is the ranking Republican on the Banking, Housing, and Urban Affairs Committee, and number two Republican on Armed Services. He is also the ranking Republican on the special committee investigating the CIA, in which capacity he has worked well with the ideologically different chairman, Frank Church of Idaho. As a solid conservative, Tower generally opposes high federal spending on domestic programs and supports generous outlays for military and space spending; it helps him politically (although he is the kind of man who would take the same stand if it didn't) that Texas receives a disproportionately large 8% of the federal defense outlays and 10% of the spending on the space program. In his first years in the Senate, Tower behaved like an accidental Senator who would soon be gone, enjoying the prerequisites of office and attending to his duties dilletantishly. But he has long since become a hard worker, and has become known as one of the stronger intellects on his side of the aisle.

The Texas House delegation has always been powerful, but today is probably weaker than ever before. Back in the days of Speaker Sam Rayburn (who died in 1961), the state's delegation consisted almost exclusively of conservative-leaning Democrats from rural and small town districts. Many had been county judges before they took office; unlike, say, their New York counterparts, they considered a congressional seat, not a judgeship, the pinnacle of their careers, and they stayed in Washington a long time and amassed great seniority. Since then, the one-person-one-vote decisions have required the elimination of some of the old rural districts, and the new members elected from the big cities have usually been liberal

TEXAS

The Voters

Registration 5,376,537 Total. No party registration.

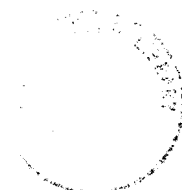
Median voting age: 41

Employment profile White collar, 49%. Blue collar, 34%.  
Farm, 4%

Ethnic groups Black, 12%. Spanish, 18%. Total foreign  
stock, 11%.

Presidential vote

1972 Nixon (R).....	2,298,896	(67%)
McGovern (D).....	1,154,289	(33%)
1968 Nixon (R).....	1,227,844	(40%)
Humphrey (D).....	1,266,804	(41%)
Wallace (AI).....	584,269	(19%)





## PFC CAMPAIGN OVERVIEW

Texas requires no registration by political party. Consequently, it is difficult to estimate voter turnout. Of the approximately 8,225,000 persons of voting age, nearly 5.4 million are registered. The vast majority of those who will vote are expected to vote in the Democratic primary. "Cross-over" voting is possible (as it is in Illinois and Wisconsin) but there is no firm indication of whether "cross-overs" will be a significant factor in the primary vote.

The Texas PFC has divided the state into six regions. Each has a Regional Coordinator. Subordinate to the Regional Coordinators are Congressional District Coordinators, one for each of the twenty-four Congressional Districts.

Twenty-six of the larger counties will have centralized phone banks. The number of phone centers and units per center have been scaled to the number of phone calls planned. Additionally, twenty-eight counties will use "borrowed phones" for their phone canvass. These fifty-four together will provide 95% of the Republican primary votes.

Phone canvasses have begun in most of these areas. By the end of next week, all centers will be in full operation. Phone calls are being made first to 1972 and 1974 Republican primary voters and will then shift to precincts as determined by past voting records. The state PFC currently estimates phone calls will reach 350,000 voters.

Regional Campaign Managers (paid staff) have been assigned to the six Regional Headquarters to supervise the phone canvass. Additional President Ford Committee personnel have been assigned to trouble-shoot where needed. Phone center supervisors have been employed at minimum rates in the other phone bank centers.

A major focus of the overall campaign in Texas is direct personal contact with potential voters through the phone canvass, two pieces of direct mail sent to known Republican primary voters, a post-card reminder to vote and attend Precinct Conventions sent to previously identified Ford voters, and direct mail pieces sent to undecided primary voters and pro-Ford voters who plan to participate in the Democratic primary. Independent mailing pieces written

## TEXAS DELEGATE SELECTION

There are a total of 100 Convention delegates at stake in the May 1 primary, 96 of which are selected within Congressional Districts based on the allocation of 4 delegates per each of the twenty-four districts. The four remaining delegates are selected at the Republican State Convention through the following process:

1. Precinct Conventions will be held on May 1 to elect delegates to County or Senatorial District Conventions. Any person residing in a precinct, who voted in the May 1 Republican primary, is entitled to participate.
2. County or Senatorial District Conventions meet on May 8 to elect delegates to the State Convention.
3. The State Convention finally elects four delegates-at-large and all 100 alternates to the National Convention.

Delegates selected in each Congressional District based on the popular vote and delegates selected through the convention process as representatives of a particular Presidential candidate are pledged by state law to support that candidate at the National Convention for three ballots unless they are released as follows:

1. First Convention Ballot--Delegate or alternate shall be released only in the event of death or withdrawal of the candidate.
2. Second Convention Ballot--Delegate or alternate may be released by decision of the candidate.
3. Third Convention Ballot--Delegate or alternate shall be released from the pledge if the candidate has failed to receive 20% or more of the total vote cast on the preceding ballot, or by decision of the candidate.

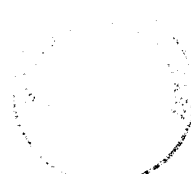
Voters in Texas do not register by party affiliation, consequently there is a potential for self-identified Democrats to "cross-over" and vote in the GOP primary.

TEXAS PFC OFFICIALS

Ms. Beryl Buckley Milburn	Campaign Director
Roger W. Wallace	Campaign Manager
Mrs. Jacqueline Irby	Deputy Campaign Manager
Pete Roussel	Press Secretary
John Knaggs	Media Consultant
Martha Bernard	Assistant Deputy Campaign Manager
Jim Helm	Scheduling
Wayne Huffman	Research
Bill Keener	Conventions Coordinator
Jack Iscoe	Special Events
Cyndy Taylor	Delegate Candidate Coordinator
Tom Chapoton	Rural County Coordinator
Jim Minter	Tarter County Co-Coordinator
Martin Shinn	Target County Co-Coordinator
Rev. Paul Weiss	Senior Texans Director
Linden Heck	Young Texans Director
Nan Olsen	Finance
Mark Proctor	Fieldperson
Jan Zahrlly	Fieldperson
Merrie Lynch	Fieldperson
Nancy Lilly	Fieldperson
Eleanor Oberwetter	Fieldperson
Phyllis Spittler	Fieldperson
Thomas Sullivan	Fieldperson
t Vigeon	Fieldperson
Joyce Carter	Fieldperson
Marty Steger	Fieldperson

TEXAS ADVOCATES FOR THE PRESIDENT

<u>Speaker</u>	<u>Date</u>	<u>Location</u>
Mrs. Gerald Ford	April 19-20	San Antonio McAllen Corpus Christi Beaumont Roundtop Austin
Jack Ford	April 12-14	Ft. Worth Dallas Austin San Antonio Denton Houston
Jack Ford	April 27-28	El Paso Lubbock Waco College Station Beaumont
Honorable John Tower	April 21-24	Blitzing through the state
Under Secretary of Commerce James Baker	April 9	Houston
Rogers C. B. Morton	April 7-8	Dallas Ft. Worth Midland Odessa Houston
William Seidman	April 23	Beaumont
Francine Neff	April 21	Waco



## REAGAN CAMPAIGN OVERVIEW

Ronald Reagan has visited Texas on only two occasions prior to this week. On November 18, 1975, he traveled to Houston to address the National Soft Drink Association, and returned to Houston on December 13, 1975 to speak to the Southern Republican Conference. Reagan is expected to be in Texas on at least two more occasions following his current campaign trip.

<u>Date of Visit</u>	<u>Cities to be Visited</u>
April 5-7	Dallas Wichita Falls Abilene Lubbock
April 13-15	Midland Odessa San Angelo Harlingen Corpus Christi Beaumont Houston Amarillo El Paso
April 29-30	Ft. Worth Bryant San Antonio Austin Waco Dallas Temple

The Reagan campaign headquarters is located in Houston, near the Harris County Republican Headquarters. The exact size of the Reagan operation is unknown. In addition to having three State Co-Chairmen, one of whom is also the Harris County Republican Chairman, the campaign has an Executive Director, 10 Regional Chairmen, and a Congressional District Chairman for each Congressional District.

Texas Citizens for Reagan has established regional headquarters in the following cities:

Amarillo	Fort Worth
Austin	Nacogdochez
Corpus Christi	San Antonio
Dallas	Waco
El Paso	

Most political activity of the Reagan campaign seems to be diffused with substantial authority delegated to local leadership. For example, the Reagan convention delegates are "unauthorized" and, we understand, are raising and spending money on their own behalf. There are no limitations on the independent expenditure of money by Reagan delegates.

With regards to delegate selections, Reagan is considered to have assembled a fairly well-known list of delegate candidates who include the current Mayor of Midland, a former Mayor of San Antonio, the Republican Chairman and Vice-Chairman of the four largest counties, two of the three GOP State Senators, and approximately twenty members of the State Republican Executive Committee.

There are currently no indications that any major mass mailings have been sent; however, "leadership mailings" have gone out (copies immediately attached), and voter identification efforts are not expected to begin for another 10 days. Texas strategy appears to reflect a decision to rely heavily on personal campaigning by Reagan as well as a strong media effort similar to North Carolina and Wisconsin. Special efforts also appear to be underway to recruit support from such special organizations as the Right-to-Life group.

REAGAN CAMPAIGN OFFICIALS

Ernest Angelo, Jr.

Ray A. Barnhart

Mrs. William Staff

Ronald B. Dear

James E. Lyon

Mrs. Bruce Jacobsen

Mrs. Warren Binkley

Mrs. Louis Doehne

Van Henry Archer

Roger Hill

Co-Chairman

Co-Chairman

Co-Chairman

Executive Director

Finance Chairman

Regional Chairman, Ft. Worth

Regional Chairman, Houston

Regional Co-Chairman, San Antonio

Regional Co-Chairman, San Antonio

Regional Chairman, Dallas

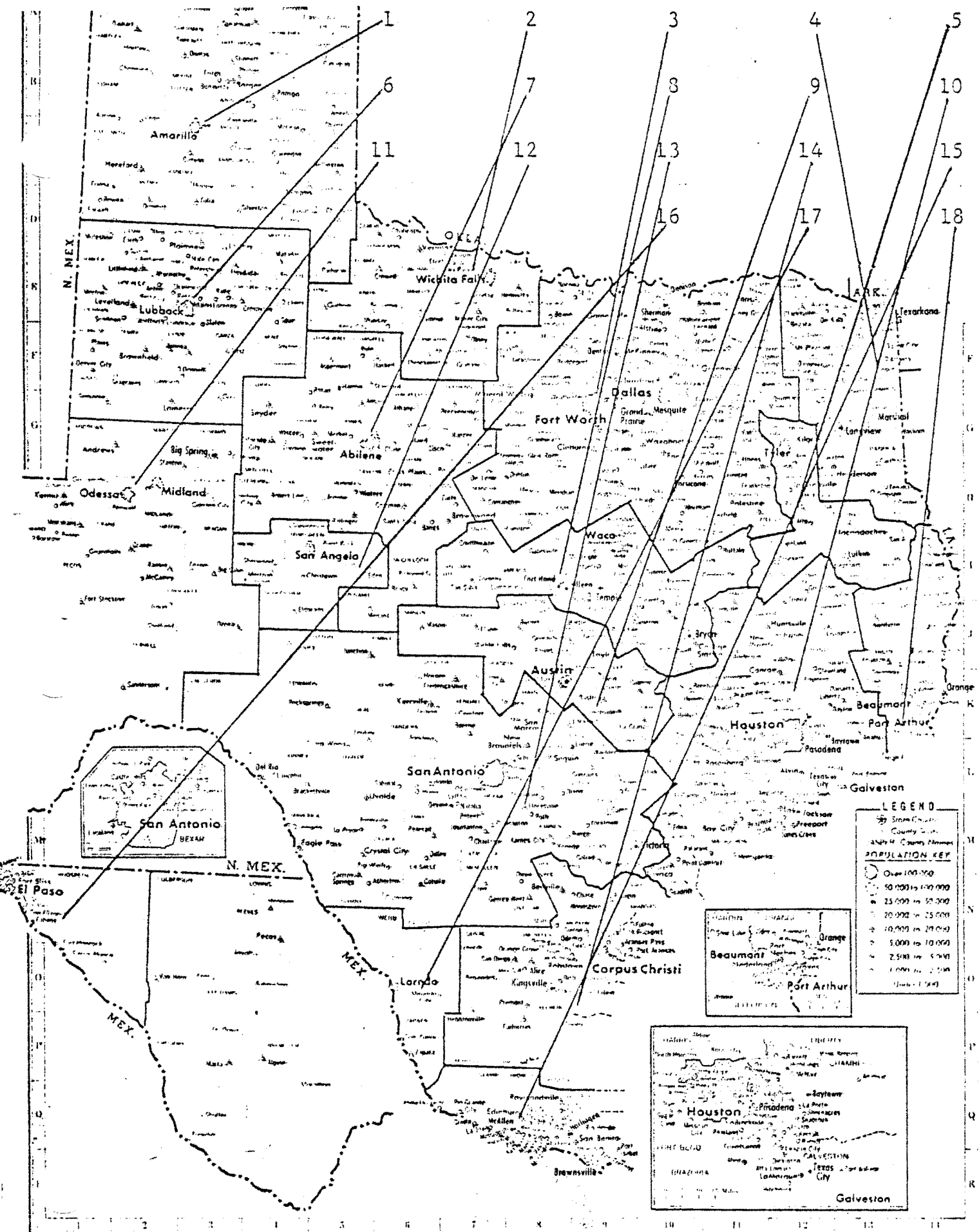
## SURVEY RESEARCH

An indepth survey of Texas is currently being conducted by Market Opinion Research for the PFC. The results of the study will not be available, however, until after the President's trip.

In a "Texas Poll" conducted in early March of a cross-section of Republicans, Democrats and Independents as to their preference for the GOP Presidential nomination, President Ford was preferred by Democrats (41%-34%) and Independents (43%-38%). Ronald Reagan was preferred, however, over President Ford by GOP respondents by a margin of 49% - 44%. Pollster Joseph Belden cautions against accepting the validity of his own survey, because while the poll was taken of nearly 1,000 adults, the Republicans and Independents questioned were relatively small in number.

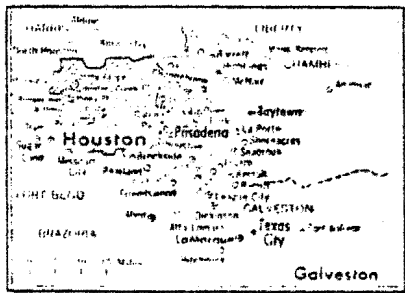
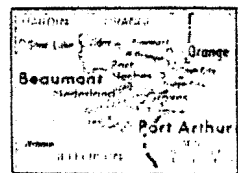


- 1) AMARILLO  
'68 RN VOTE: 3.2%  
'72 RN VOTE: 3.2%
- 2) WICHITA FALLS/LAWTON  
'68 RN VOTE: 1.2%  
'72 RN VOTE: 1.2%
- 3) DALLAS/FT. WORTH  
'68 RN VOTE: 31.6%  
'72 RN VOTE: 30.9%
- 4) SHREVEPORT/TEXARKANA  
'68 RN VOTE: 2.1%  
'72 RN VOTE: 2.1%
- 5) TYLER  
'68 RN VOTE: 1.7%  
'72 RN VOTE: 1.7%
- 6) LUBBOCK  
'68 RN VOTE: 3.0%  
'72 RN VOTE: 3.0%
- 7) ABILENE/SWEETWATER  
'68 RN VOTE: 1.8%  
'72 RN VOTE: 1.8%
- 8) WACO/TEMPLE  
'68 RN VOTE: 2.4%  
'72 RN VOTE: 2.4%
- 9) AUSTIN  
'68 RN VOTE: 3.2%  
'72 RN VOTE: 3.2%
- 10) HOUSTON  
'68 RN VOTE: 24.9%  
'72 RN VOTE: 24.6%
- 11) ODESSA/MIDLAND  
'68 RN VOTE: 2.6%  
'72 RN VOTE: 2.6%
- 12) SAN ANGELO  
'68 RN VOTE: .7%  
'72 RN VOTE: .7%
- 13) SAN ANTONIO  
'68 RN VOTE: 11.7%  
'72 RN VOTE: 12.7%
- 14) CORPUS CHRISTI  
'68 RN VOTE: 2.5%  
'72 RN VOTE: 2.5%
- 15) McALLEN/BROWNSVILLE  
'68 RN VOTE: 2.2%  
'72 RN VOTE: 2.2%
- 16) EL PASO  
'68 RN VOTE: 2.4%  
'72 RN VOTE: 2.4%
- 17) LAREDO  
'68 RN VOTE: .1%  
'72 RN VOTE: .1%
- 18) BEAUMONT/PORT ARTHUR  
'68 RN VOTE: 2.7%  
'72 RN VOTE: 2.7%



**LEGEND**

[Symbol] State Capital  
 [Symbol] County Seat  
 [Symbol] 4th Class Places  
**POPULATION KEY**  
 [Symbol] Over 100,000  
 [Symbol] 50,000 to 100,000  
 [Symbol] 25,000 to 50,000  
 [Symbol] 10,000 to 25,000  
 [Symbol] 5,000 to 10,000  
 [Symbol] 2,500 to 5,000  
 [Symbol] 1,000 to 2,500  
 [Symbol] Under 1,000



TEXAS

OFFICIALS

Governor - Dolph Briscoe (D), Uvalde  
Lt. Governor - Bill Hobby (D), Houston  
Secretary of State - Mark White (D), Houston  
Attorney General - John Hill (D), Houston  
Treasurer - Jesse James (D), Austin

Senate State

State House

31 members  
3 (R)  
28 (D)

150 members  
16 (R)  
134 (D)

U. S. Senators

John Tower (R), Wichita Falls  
Lloyd Bentsen (D), Houston

U. S. House Members

District

- 1 Wright Patman's seat - Special election to be held 6/19/76
- 2 Charles Wilson (D), Lufkin
- 3 James Collins (R), Dallas
- 4 Ray Roberts (D), McKinney
- 5 Alan Steelman (R), Mesquite
- 6 Olin E. Teague (D), College Station
- 7 Bill Archer (R), Houston
- 8 Bob Eckhardt (D), Harris County
- 9 Jack Brooks (D), Beaumont
- 10 J. J. (Jake) Pickle (D), Austin
- 11 W. R. Poage (D), Waco
- 12 James C. Wright (D), Forth Worth
- 13 Jack Hightower (D), Vermont
- 14 John Young (D), Corpus Christi
- 15 E. (Kika) de la Garze (D), Mission
- 16 Richard C. White (D), El Paso
- 17 Omar Burleson (D), Anson
- 18 Barbara Jordan (D), Houston
- 19 George Mahon (D), Lubbock
- 20 Henry B. Gonzales (D), San Antonio
- 21 Robert Krueger (D), New Braunfels
- 22 Bob Casey (D), Houston
- 23 Abraham Kazen (D), Laredo
- 24 Dale Milford (D), Grand Prairie

Mayor

Austin - Jeff Friedman (D)  
Dallas - Wes Wise (N/A)  
El Paso - Don Henderson (R)  
Houston - Fred Hofheinz (D)  
Lubbock - Morris Turner (N/A)  
San Antonio - Lyla Cockrell (R)  
Midland - Ernie Angelo (R)

Republican Party of Texas

Chairman - Ray Hutchison, Austin  
V. Chairman - Mrs. Richard (Polly) Sowell, McAllen  
Secretary - Mrs. Louis C. (Dorothy) Doehne, San Antonio  
General Counsel - Duncan Boeckman, Dallas  
Executive Director and Treasurer - Doug Lewis, Austin

National Committeeman - Fred J. Agnich, Dallas  
National Committeewoman - Mrs. Bill Archer, Houston

Other Prominent Political Figures in Texas

Mrs. Lyndon (Lady Bird) Johnson  
John Connally (R), former Secretary of the Treasury and  
former Democrat Governor  
Anne Armstrong (R), former Co-Chairman of the Republican  
National Committee, former Counsellor to the President  
Leon Jaworski, former Watergate prosecutor  
Ralph Yarborough (D), former U. S. Senator  
Preston Smith (D), former Governor  
Ed Clark (D), former Ambassador to Australia  
Price Daniel, Sr. (D), former Governor  
Price Daniel, Jr. (D), former State Speaker of the House  
Bob Price (R), former U. S. Congressman  
Ed Foreman (R), former U.S. Congressman  
Alan Shivers (D/R), former Governor  
George Bush (R), former head of U. S. Mission to Peking  
Bill Clements, presently Deputy Secretary of Defense  
James Baker, presently Deputy Secretary of Commerce  
Robert Strauss (D), presently Chairman of the Democratic  
National Committee  
Will Wilson (D/R), former State Attorney General, also served  
in the Justice Department.

1976 Outlook

Major 1967 Elections

U.S. Senate (Bentsen)

U.S. House of Representative (3R - 21D)

State Legislature (State Senate 3R, 28D; House of  
Representatives 16R, 134D)

\* Texas Railroad Commissioner

- State - Senator Lloyd Bentsen has announced that he will seek the Democratic nomination for President (1976). He has also announced he will seek reelection for Senate.
- Philip Gramm (D) has announced he will seek the Democratic nomination for Senate (1976).
  - Louis Leman (R) has announced that he will seek the Republican nomination for Senate (1976).
  - Congressman Alan Steelman announced on January 5, 1976 that he will seek the Republican nomination for Senate.

The following people have announced that they are seeking the Republican nomination for Congress.

<u>District 1</u>	Ms. Jessalyn Davis Dr. James Hogan
<u>District 2</u>	
<u>District 3</u>	James Collins (incumbent) Roger Chafin
<u>District 4</u>	Frank Glenn
<u>District 5</u>	Nancy Judy (Steelman's District)
<u>District 6</u>	Wesley H. Mowery
<u>District 7</u>	Bill Archer (incumbent)
<u>District 8</u>	Nick Gearhart

1976 Outlook (continued)

District 9

District 10

Paul McClure  
Bill Murray

District 11

Jack Burgess

District 12

W. R. "Pete" Durham

District 13

Bob Price

District 14

L. Dean Holford

District 15

Dr. Robert L. "Lindy" McDonald

District 16

Vic Shackelford

District 17

District 18

Sam Wright

District 19

Jim Reese

District 20

District 21

Neil Calnan

District 22

Ron Paul

District 23

District 24

Lowry H. "Dee" Davison  
Leo Berman

Railroad Commissioner

- Walter Wendlant (R) has announced he is seeking the  
Republican nomination for Railroad Commissioner.

ISSUES

## TEXAS ISSUES OUTLINE

April 3, 1976

### Energy

A major political liability in Texas today for the President is his signing last December of the Energy Policy and Conservation Act. Some of the basic misconceptions about what that bill would do to the domestic oil industry have been placed aside in recent months. However, the basic premise--that controls on prices are a disincentive to domestic production and exploration--still remain. Ronald Reagan was the only major Presidential candidate who said last winter that he would have vetoed the compromise bill had he been President.

There is considerable distaste in the state for the Federal Energy Administration and for "what it stands for" (i.e., government regulation of petroleum exploration, production, refining, transportation and marketing). FEA is considered to be doing too much, with too few staff, causing severe bureaucratic delay for the industry.

The Administration's efforts in urging Congress to decontrol interstate natural gas are recognized and appreciated. Concern now rests with the House-passed measure which would extend regulation to the intrastate market. It should be noted that as the intrastate competition for available gas has increased, the price of the gas has risen and the cost is being passed directly onto the consumer. In urging natural gas deregulation, there must be a connection demonstrated between the deregulation and a subsequent lowering of intrastate prices, thus, a lowering or stabilizing of costs to consumers in their utility bills.

Congressional action to bring about the divestiture of the major oil producers is strongly opposed in the state. Divestiture is seen as the first step towards nationalization of the oil and gas industry.

Independent producers are particularly sensitive to losing tax incentives as a result of Congressional action. Such things as the reduction of the depletion allowance, intangible drilling costs and artificial accounting losses are of particular concern to the independent producers. There is a rumor circulating among the independents that Secretary Simon has submitted a proposal to the President that will affect intangible drilling costs. Lloyd Bentsen, reportedly, has been writing to those concerned to raise their objections directly to the White House.

The proposed Energy Independence Agency has not been well-received in the state and it is recommended that the issue not be discussed except in reaction to questions. In essence, objection centers on the fact that the EIA is one more "foot in the door" for the



Federal government and such initiatives are better left for the private sector.

Original resistance to Administration efforts in developing alternative energy sources in such "exotic" areas as solar, nuclear, wind and water research has been broken down. In fact, the cities of San Antonio and El Paso are competing for the siting of the solar energy plant.

### National Defense

As would be expected, there is very strong emotional support in Texas in behalf of our defense establishment and the U.S. military position vis-a-vis the Soviet Union. Reagan's speech of Wednesday night has created quite a stir in the state.

In addition, DOD's efforts to make savings in the Defense budget through the phasing out or closing of bases has created considerable controversy. It is worthwhile to review where the greatest concern has been expressed:

1. The Navy has recently announced tentative plans to close the flight operations center at the Naval Air Station in Corpus Christi. Four training squadrons presently stationed at the NAS would be moved or disbanded. Public anger may be somewhat mitigated by the Army's announcement on Thursday that it may augment substantially its helicopter maintenance facility in Corpus Christi.
2. The Air Force has announced plans to totally shut down the Webb Air Force base in Big Spring. The impact on local economy is said to be devastating with approximately a 25% drop in income anticipated for Howard County. Senator Tower has publicly vowed to fight to "the last bloody ditch" in retaining the full operation of the base.
3. The Army recently announced its plans and is seeking funds for the expansion of the base at Fort Hood in order to provide room for multi-division maneuvers. The land acquisition that is required is being bitterly resisted by local land owners and Army justifications for acquiring the land have not been well-received.
4. San Antonio may well be the military installation/commissary capital of the world. The local populace is kept in a state of constant uproar by the theatrical antics of Democrat Representative Henry B. Gonzales. Currently, San Antonians are concerned about prospective cut-backs in commissary privileges for military personnel and about reductions in the civilian work force at Kelly Air Force base. These two concerns are big issues in San Antonio and their significance is made even greater by the sensationalism in the local press.

Austerity measures in the DOD budget pertaining to the National Guard and Reserve components in Texas are generally unpopular; however, knowledge of these actions is confined to a relatively small number of people and the issue has not achieved significant visibility state-wide.

### Agriculture

While Secretary Butz is very highly regarded in the Midwestern grain states, he is not well-regarded in the better part of Texas, especially among the cattle ranchers. There are four primary problem areas in Texas and they are as follows:

- 1: Changes in the beef rating standards by USDA. USDA has two changes proposed by the Texas Congressional delegation to reach a compromise on this issue.
2. USDA threat of an embargo on Texas cattle unless the state complied with Federal brucellosis regulations.
3. The Administration's support for changes in the current rice program.
4. The President's two vetos of the dairy price support bills.

Additionally, Texas contacts claim that for the first time in recent years, not a single RC & D project was initiated and/or funded in Texas and the Farmers Home Administration continues to give the state short-shrift in personnel allotment.

Complicating the above factors is the resentment which stems from the embargo last year of the grain sales to the Soviet Union and Poland. It should be noted that Texans are not particularly concerned about the long-term agreement that resulted from the embargo nor do they like to see agricultural products tied to international negotiations. Texas farmers and ranchers primarily resent the President's kow-towing to Meany and Gleason during the course of this dispute.

On the positive side, the President's recent proposals for estate and inheritance tax relief are very strongly supported. If the Administration is successful in putting through its proposals this year, it has been suggested from Texas sources that the President will be able to regain widespread support from the agricultural community.

Aside from these significant statewide issues, the following points may arise on a regional basis:

1. PANHANDLE--This area has been especially hard hit in the last four years by natural disasters. Many farmers have lost four crops in a row. The need for continuing the relief/disaster programs of USDA to farmers and ranchers should be emphasized.

2. RIO GRANDE VALLEY--The citrus industry is vital to this area, but miniscule in terms of national production. Nevertheless, the President should publicly recognize the need for protection for the industry against foreign, non-tariff trade barriers. The President can claim victories in these areas, for which Texas citrus growers are grateful. Perhaps the most critical issue is that of "bracero" labor, which Valley growers heavily depend for harvest. Strong emphasis on right-to-work laws in the state, and condemnation of violence by labor organizers has been suggested.
3. EAST GULF COAST--Do not attempt to defend the rice program changes. Point out instead the need to move a large volume of rice in a short time. The new crop, which could exceed last year's, will come in during July, and rice is still on the ground due to lack of adequate storage. It might be helpful to announce new initiatives in trying to move rice through the "Food for Peace", and School Lunch Programs.
4. GULF COAST PORTS--Strong resentment exists concerning imposition of a Federal grain system to replace private grain inspection services. The issue, however, cuts both ways, and the President most likely would benefit from pointing out that the major abuses occurred next door in Louisiana, and that it is regrettable that it may be necessary to take extraordinary measures to protect the innocent from continued abuse from the guilty. Emphasize the need for a strong state and industry policing with Federal help as needed.

### Land Use Planning

Land use has received considerable discussion in the Dallas area in recent months. While most Texans are opposed to land use planning, particularly by the Federal government, Republican Senatorial candidate Alan Steelman is a co-sponsor with Mo Udall, of a land use bill.

### Busing

On July 23, 1975, a three judge panel of the Fifth Circuit Court of Appeals ruled that a 1971 plan was inadequate for the purpose of desegregating the Dallas Independent School District. The case was remanded to the Judge William Taylor who was given the responsibility to devise a second plan. In the ensuing months, there were a number of petitions, briefs, motions, etc., filed. As a result, Judge Taylor postponed the implementation of this revised plan and this March he finally issued his desegregation order. The highlights of that order are as follows:

1. The District will be divided into five sub-districts, each of which is to approximate the make-up of the District as a whole.
2. Middle schools of the 4th through the 8th grades will be established in the center of each sub-district.
3. Kindergarten through 3rd grade students and 9th grade through 12th grade students will attend neighborhood schools with 4th through 8th grade students to be reassigned.
4. "Magnet schools" will be established and bilingual education programs will be greatly expanded.
5. By 1979, high level school administrators are to be represented in proportion of 44% Black and 12% Hispanos.

Judge Taylor's orders will require the busing of between 14,000 and 20,000 students. It is also expected that some kind of property tax increase will be necessary to finance the purchasing of buses and other costs associated with the desegregation plan.

Periodically, questions arise as to why the President opposes a Constitutional amendment prohibiting busing. The Reagan campaign is making an issue of this matter in Texas and, in doing, is seeking to distort the President's position.

### Water Planning

Water planning is reportedly the number one long-term priority for the arid Western states. In Texas, Democrat Governor Dolph Briscoe and Speaker of the Texas House of Representatives have made this their number one legislative priority this year. Water planning holds a particular significance in the West Texas and Panhandle regions of the state. Water supplies have been dwindling and preservation of the area's economic and agricultural potential may well depend on Federal funding. Ronald Reagan, in his Wednesday night nationally televised address, stressed as one of his accomplishments in California, the successful development of water planning for the state while he was Governor. It is believed that this remark was specifically directed toward Texas. In San Antonio, the City obtains a majority of its water supply from underground sources and planning is currently underway for developing alternative supplies when this resource runs out. Alternatives in the planning stage at this point include the development of the Cibolo Reservoir, for which the city is seeking Federal assistance.

### Economy

Among the major national issues of concern in Texas is the economy. Inflation, however, is the principle concern as

unemployment in the state is not significant at this time in comparison to the national average or in comparison to other states. The President's program in cutting inflation through reducing Federal government expenditures and his position on fiscal responsibility are well-received.

### Revenue Sharing

State and local officials have been very vocal regarding the continuation of revenue sharing. Simply stated, the Administration position for all extension is strongly approved.

### Gay Rights

An issue which has arisen in San Antonio in just the last ten days involves a grant by the National Endowment for the Humanities to a gay organization in San Antonio. The National Endowment for the Humanities is currently serving as the coordinator for the American Issues Forum as part of their Bicentennial contribution. The AIF's main Bicentennial project has been the selection of four major cities (to receive grants totalling \$250,000 each) to present programs to emphasize the cultural and ethnic heritage of the local population. San Antonio has been selected as one of these four cities.

The American Issues Forum of San Antonio was charged with the granting of \$250,000 to qualified community organization. The Forward Foundation, Inc., a private, non-profit organization composed of gay and non-gay members, presented a plan for a seminar emphasizing the pressures on the gay community in San Antonio. The AIF felt that the Forward Foundation met the established criteria and subsequently awarded the Foundation \$5,000 for a seminar.

The grant has sparked a great deal of concern -- indeed outrage -- over the Federal government's funding support and apparent sanctioning of the group. There is some indication that the Forward Foundation may have provided misinformation to the AIF upon which the grant was made. The National Endowment has become concerned about the publicity as well as the propriety of the grant, and is reviewing the process by which it was awarded.

### Illegal Aliens

Although not currently a major issue, the problem of illegal aliens remains a nagging difficulty for law enforcement officials and provides a drain on the social programs of local governments.

Peter Rodino's bill to place the burden of responsibility on the employer of illegal aliens is opposed by the business community and a number of civil rights organizations. The latter group is

concerned that Hispano-Americans will be denied jobs, because employers will discriminate against them in hiring practices so as not to be held liable for the inadvertent employment of illegal aliens.

### Drug Trafficking

There is strong support for the joint U.S.-Mexico efforts to stem the increased flow of drugs (especially heroin) from Mexico into the United States.

## REAGAN ON THE ISSUES

Ronald Reagan's issue emphasis in Texas is expected to follow the pattern he set in his March 31 nationally televised address. The major themes were: foreign policy; the growth of the Federal government; and national security. An underlying theme of both his televised speech and his campaign efforts in Texas is the quality of national leadership. His recent series of half-hour paid political advertisements on local stations in Wisconsin have repeated themes from the national address and re-emphasized various aspects of these major areas of concern. In addition, Reagan is expected to increase his criticism of the Administration's energy policy, especially the President's signing of the Energy Policy and Conservation Act of 1975.

### Energy

Reagan has repeatedly stated that he would have vetoed the Energy Policy and Conservation Act, if he were President. His main objection to the Act center on three basic points.

1. Increased dependence on foreign oil sources.

"That bill will increase our vulnerability to the OPEC monopoly, through decreased domestic production and increased dependence on imports of at least one million barrels a day."

"Ronald Reagan's Stand on the Issues"  
January 5, 1976

2. Disincentive for domestic production.

"...it takes away any stimulant for the production of new sources of energy in this country."

"Issues and Answers"  
November 30, 1975

3. Failure to satisfy needs for energy conservation.

"Now, there is a need for conservation on the part of the people, but, reducing the price of gasoline, ...we have to recognize it is going to encourage further use of petroleum sources."

"Issues and Answers"  
November 30, 1975

Reagan is also opposed to the proposed \$100 billion Energy Independence Authority, favoring instead immediate deregulation of the oil industry and adoption of a policy of "trusting the marketplace." This desire to relax all controls on the oil industry is the core of his energy position.

-2-

"The U.S. should have an energy policy of trusting the marketplace. Get rid of the controls, trust the marketplace."

"Business Week"  
February 9, 1976

In Abilene, Texas on Tuesday of this week, Reagan advocated the reinstatement of the depletion allowance tax break for petroleum producers. He declined to make a specific recommendation on a depletion percentage. Reagan is quoted as having stated:

"It's an economic fairy tale that businesses pay taxes. Business taxes are passed on to individuals, Congress took a tax break from the oil industry and the people are paying."

### Foreign Policy

Ronald Reagan has accused the Ford Administration of having a foreign policy that is "wandering without aim". He has specifically criticized the following areas:

#### 1. Angola

"We gave just enough support to one side to encourage it to fight and die but too little to give them a chance of winning. Now we're disliked by the winner, distrusted by the loser, and viewed by the world as weak and unsure."

National Television Address  
March 31, 1976

#### 2. Detente

"If detente were a two-way street it's supposed to be, we could have told the Soviet Union to stop its trouble-making and leave Angola to the Angolans."

National Television Address  
March 31, 1976

#### 3. Panama Canal

"The Canal Zone is not a colonial possession. It is sovereign U.S. territory every bit the same as Alaska and all the states that were carved from the Louisiana Purchase. We should end those negotiations and tell the General: 'We bought it, we paid for it, we built it and we intend to keep it:'"

National Televised Address  
March 3, 1976



4. Cuba

"Once again--what is their (Ford Administration) policy? During this last year, they carried on a campaign to befriend Castro. They persuaded the Organization of American States to lift its trade embargo, lifted some U.S. trade restrictions, they engaged in cultural exchanges. And then, on the eve of the Florida primary election, Mr. Ford went to Florida, called Castro an outlaw, and said he'd never recognize him. But he hasn't asked our Latin American neighbors to reimpose a single sanction, nor has he taken any action himself."

National Television Address  
March 31, 1976

5. Captive Nations

"...why Mr. Ford traveled halfway 'round the world to sign the Helsinki Pact, putting our stamp of approval on Russia's enslavement of captive nations? We gave away the freedom of millions of people...freedom that was not ours to give."

National Television Address  
March 31, 1976

6. Secretary Kissinger

"Dr. Kissinger is quoted as saying that he thinks of the U.S. as 'Athens and the Soviet Union as Sparta. The day of the U.S. is past and today is the day of the Soviet Union.' And he added, 'My job is to negotiate the most acceptable second-best position available.'"

National Television Address  
March 31, 1976

National Security

Reagan has repeatedly asserted that the United States is second to the Soviet Union in terms of military capability:

"The Soviet Army outnumbered ours more than two-to-one and in reserves four-to-one. They outspend us on weapons by 50%. Their Navy out-numbers ours in surface ships and submarines two-to-one. We are outgunned in artillery three-to-one. Their strategic nuclear missiles are larger, more powerful and more numerous than ours. The evidence mounts that we are Number Two in a world where it is dangerous, if not fatal, to be second best."

National Television Address  
March 31, 1976

## Growth of Federal Government

Reagan has also criticized the Federal government as being too big, having too many harassing regulations, and being unresponsive to the real needs of the American people. Among the more specific topics he will continue to attack are:

### 1. National debt

"It took this nation 166 years--until the middle of World War II--to finally accumulate a debt of \$95 billion. It took this administration just the last twelve months to add \$95 billion to the debt. And this administration has run almost one-fourth of our total national debt in just these short nineteen months."

National Television Address  
March 31, 1976

### 2. Inflation

"Unless those in Washington finally learn that it (inflation) is a result of government spending more than it takes in, we will never defeat this vicious economic enemy."

Reagan Campaign Mailing  
November 20, 1975

### 3. Government Interference

"Washington has taken over functions that don't truly belong to it. In almost every case it has been a failure. Understand, I'm speaking of those programs which logically should be administered at state and local levels." (Reagan has most frequently referred to law enforcement, education and job training, commerce and transportation, revenue sharing, health, and income security programs as those best run on a state and local level.)

National Television Address  
March 31, 1976

## Russian Grain Sales

"Would they (the Soviet Union), without our help, have to abandon arms building in order to feed their people or face the possibility of an uprising and revolution by a desperate and hungry populace? If the answer to this is yes, then we are faced with a question of national security and pure moral principle."

Southern Republican Leadership  
Conference Speech  
Houston, Texas  
December 13, 1975

GUIDANCE

SENATOR TOWER



## AMARILLO

13th Congressional District

Republican -- Bob Price (4 term congressman defeated in '74)  
from Pampa

\* Democrat -- Jack Hightower (freshman representative; former State  
Senator from Vernon)

### ISSUES:

#### 1. GRAIN EMBARGO

Wheat farmers in the area became upset with Meany stopped the  
shipments and Ford compromised with him

Counter-argument which has worked well has stressed what the  
alternatives were:

- a. Ford could have taken no affirmative action and let  
picket lines take over. . .that would have hurt market  
even more
- b. Ford could have gone to Congress with the problem, but  
there was little time for that and this Congress would not  
have stood up to Meany
- c. Compromise was only available solution. . .moratorium was  
better than picket lines as far as grain prices

#### 2. NATIONAL DEFENSE

Area residents tend to strongly favor a strong defense  
Recalling Ford's action re the Mayaguez has met with success

#### 3. ENERGY

Amarillo is in the middle of an oil and gas region  
Much opposition to the signing of the energy bill  
Ford should stress support for deregulation of natural gas

#### 4. ECONOMICS

Region has prospered except for agriculture where increased cost  
for energy, fertilizer, goods and machinery have eaten into profits -- a  
though profits are still being made

Inflation is a concern and Ford should stress his efforts to keep  
Congress from fueling fires there

Unemployment during the past year has been very low

Welfare is not a local problem but it is an emotional issue which  
Reagan is exploiting to his benefit

SAN ANTONIO

21st Congressional District

Demo

\* Bob Krueger -- freshman rep; former college professor  
Joe Sullivan -- teaches at San Antonio College

Republican

Neil Calnan -- former assistant U.S. Attorney (favorite)  
Bobby Locke -- head of Industrial cleaning firm (Locke Industries)

ISSUES:

Solar Energy Plant Site -- competing with El Paso for site selection

Commissary Closings

Base Closings \* (most recent was cut of 200 at Defense Mapping Agency at Ft. Sam Houston -- see clipping attached)

Gay Seminar -- concern over federal funding to a seminar relative to problems faced by homosexuals in SA (see clip and memo attached)

Good Government League -- first time since its organization that a majority of the council is NOT GGL. . . Mayor, Lila Cockrell is a "closet Republican"

Utility Rates -- up 4 X since 1972 (Coastal States ~~xxxxxxxixixxxx~~ didn't live up to contract and has passed through 100% of increased costs. . . the Railroad Commission may act within the next month to reverse its stand on this problem

Surface Water -- SA gets its water from the Aquifer (underground), but they are planning now for alternatives when it runs out  
Alternatives include development of Cibolo Reservoir for which they are seeking federal funds

Economic Development

Certain census tracts have 30% unemployed although the citywide rate is about 7%

City has begun a pilot program, the City Economic Development Office to coordinate the flow of business into and out of the city. . . to soften the blow of military cutbacks, . . . to provide more warning

REVENUE SHARING -- both County Commissioners and City Council have been actively soliciting continuation. . . fear cutback and may concentrate on short term programs. . . approve of idea of local control

US - MEXICO -- SA wants Trade Fair (like NYs); several other cities -- Dallas, Tucson, Yuma are also seeking and the Office of Minority Business Enterprise is conducting a study

Strong support in SA for US cooperation in Mexico's heroin war

Concern with immigration problems and hiring of illegal alien

Postal Closings

Presidential Appointments:

Henry Catto (SA) -- Chief of Protocol

Anne Armstrong (South Texas) -- Ambassador to England

Mary Lou Grier (Boerne) -- Deputy Advocate for Advisory Councils  
(SBA)

Doug Harlan (SA) -- heads regulatory reform branch of HEW

San Antonio Light 3/30/76

4

# Job Defense

By DAVE MANLEY

eliminated, it would place the workers



16-A\*\*\*\*

Saturday, March 20, 1976, DALLAS TIMES HERALD

# Gay seminar grant probed

By K. MACK SISK

the funding

Unfortunately, the gays down in San Antonio may have created a new "City of Brotherly Love" and have precipitated quite a problem.

The National Endowment for the Humanities serves as the coordinator for the American Issues Forum. The AIF's main bicentennial project was the selection of four major cities to receive an NEH grant of \$250,000 each to present programs, the objective of which would be to emphasize the cultural and ethnic heritage of the local population. San Antonio was selected as one of the cities.

The American Issues Forum of San Antonio was charged with the regranting of the \$250,000 to qualified community organizations. The NEH guidelines were:

- activities must attempt to present a balanced view
- activities must be aimed at central issues, controversies, or viewpoints relating to historical, legal, moral, ethical, and religious factors
- activities must deal with how society is confronted with potential social, economic, and political pressures

Forward Foundation, Inc., a private, nonprofit organization composed of gay and non-gay members, presented a plan for a seminar emphasizing the pressures on the gay community in San Antonio. The AIF board felt that Forward Foundation met the established criteria and therefore awarded FF \$5,000.

This \$5,000 grant has sparked a great deal of concern--indeed outrage--over the federal government's funding, support and apparent sanctioning of a group whose behavior is perceived to be extremely aberrant.

The National Endowment is naturally concerned about the publicity and have commenced an investigation. ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ There is some indication that Forward Foundation may provided misinformation to AIF upon which the grant was made. NEH is also greatly concerned about the propriety of the grant.

If you can avoid this subject, I would advise it.

DALLAS AREA CONGRESSIONAL RACES

3rd Congressional District

Republicans:

- \* Jim Collins -- 4 terms
- Roger Chafin -- North Dallas real estate

Democrats:

- Les Shackelford
- Clarence Lambright

6th Congressional District

Republicans:

- Wes Mowery -- Fort Worth executive Vice President of American Association of Petroleum Landmen
- Carl Nigliazzo -- Hearne businessman

Democrats:

- \* Olin Teague -- 15-term
- Rod Godbey

5th Congressional District (Incumbent Republican Alan Steelman is running for U.S. Senate)

Republicans:

- Nancy Judy -- school board member in Dallas

Democrats:

- Wes Wise -- former Dallas mayor
- Jim Mattox -- Texas state representative
- B.D. Howard Jr. -- attorney

24th Congressional District

Republicans:

- Lowry Davison -- Bedford attorney
- Leo Berman -- Army Lt. Col.

Democrats:

- \* Dale Milford -- two-term
- James Ross

The following memoranda will outline several subjects which I feel are possible areas of concern and/or possible questions might arise during the President's visit to Dallas. For your information, I have based the selection on personal awareness, individual contact with a variety of people relative to this specific project, stories which have gotten considerable media play and the obvious.

FOREIGN POLICY (including)

Henry Kissinger--his role and future

Administrations policy toward Cuba and the Panama Canal

FORIS POSITION ON AN ANTI-BLISING AMENDMENT

NATIONAL DEFENSE/DEFENSE BUDGET

SIGNING OF THE ENERGY BILL

I am also informed that at present there is a real stir among oilmen relative to something which Sison has proposed affecting intangible drilling costs--if you or someone is not aware of it, I can give you a name to call and discuss. Benteen is writing people and telling them to object to the white House if they are opposed.

THE ROLE JOHN CONNALLY WILL PLAY

LAND USE

It appears there are many Dallas residents who are presently discussing land use/and the objections to. While most Texans are not in favor of land use, it should also be pointed out to the President that a republican candidate for the Senate (Steedman) was a co-sponsor of the land use bill with Udall.

BETTY FORD'S STATEMENTS ON CERTAIN MORAL ISSUES

Seems there are still a lot of comments on this.

JACK FORD'S RECENT STATEMENT ON THE LEGALIZATION OF MARIJUANA

BO CALLAWAY'S RESIGNATION AND THE PRESENT AFFECT ON THE CAMPAIGN

GUN CONTROL

The President and the Attorney General's position

THE SELECTION OF THE VICE PRESIDENT

FEDERAL ELECTION BILL

SECRETARY BUTZ'S STATEMENT ON THE JIMMY CARTER PEANUT SUBSIDY

Of course things which might happen between now and then will have substantial bearing on issues and some of these issues will have changed.

*Busing - new ruling 2 weeks ago; apparently favorable*

*reaction in most part*

MEMORANDUM

RE: DALLAS DESEGREGATION

On July 23, 1975, a three-judge panel of the Fifth U.S. Circuit Court of Appeals ruled that the 1971 plan of District Judge William Taylor was inadequate for the purposes of desegregating the Dallas Independent School District. The case was remanded to Judge Taylor, who had the responsibility to devise a plan, to be implemented in January, 1976, to dismantle the segregation deemed to exist.

The ensuing months were filled with countless hearings, motions, briefs, plans, etc, brought by plaintiffs, defendants, and a wide variety of intervenors. Attempts were made to include some of the suburban school districts in the plan but they were unsuccessful. Judge Taylor postponed the implementation of the plan until the beginning of the 1976-77 school year.

In early March, Judge Taylor finally issued his desegregation order. The highlights of that order are:

- The district will be divided into five subdistricts, each of these to approximate the racial makeup of the district as a whole.
- Middle schools for the fourth through the eighth grades will be established in the center of each subdistrict.
- Kindergarten through third grade students and ninth through twelfth grade students will attend neighborhood schools, fourth through eighth grade will be reassigned.
- Magnet schools will be established and bilingual education programs will be expanded
- By 1979, high level school administrators are to be 44% black and 12% Mexican-American.

Taylor's order will require the busing of between 14,000 and 20,000 students. It is also expected that some kind of property tax increase will be necessary to finance the purchasing of buses and other costs of the desegregation program.

Mexican-Americans were most pleased with the desegregation plan, though blacks and Anglos reacted with mixed feelings. Basically, the plan does not go far enough for some and goes too far for others. Under the circumstances, it is probably the best plan Taylor could have come up with. Although it has not been definitely decided, it is not expected that either side will appeal.

OTHERS

BACKGROUND MATERIAL FROM CONGRESSMAN BILL ARCHER FOR  
CONSIDERATION PRIOR TO THE PRESIDENT'S TRIP TO TEXAS

MAJOR CONCERNS OF HOUSTONIANS RELATING TO THE FEDERAL GOVERNMENT

1. ENERGY -- The overall approach taken by the federal government, and the Congress in particular, runs contrary to the views of most Houstonians. Instead of extending controls on oil and natural gas, they want immediate decontrol and deregulation to provide the stimulus for increased exploration and development. The President's decision to sign the Energy Policy and Conservation Act was very unpopular throughout Texas, especially in Houston. An additional major concern is the current effort to bring about divestiture by oil and gas companies. The feeling is that the oil industry is highly competitive and that competition in a free market economy is the most dependable means for guaranteeing energy sufficiency now and in the future.
2. INFLATION, AND TO A LESSER DEGREE, UNEMPLOYMENT -- Federal deficit spending and temporary public service jobs programs are viewed as major hindrances to long-term economic recovery. Waste in federal spending is a major issue (Food Stamp and general welfare programs are often cited as examples) in Houston. There is recognition of the need for additional capital formation as a means of developing permanent jobs in the private sector. The free enterprise approach, as opposed to nationwide federal spending programs, permits local resources to be used to solve local problems.
3. GOVERNMENT OVER-REGULATION IN GENERAL -- Federal over-regulation (e.g. O.S.H.A., F.D.A., E.P.A.) are driving up consumer costs by placing an unnecessarily heavy regulatory burden on businesses. Need to eliminate unnecessary federal red tape and paperwork to lower business costs. Savings would be passed on to consumers, who would benefit from increased production efficiency. The general feeling is that there is just too much federal involvement in our personal and business lives -- People do not want the federal government to make all of their decisions for them.
4. THE ENVIRONMENT AND ENVIRONMENTAL CONTROLS -- Recent E.P.A. proposals for transportation controls in the Houston area met widespread opposition. Houstonians want a clean environment, but feel that artificial federally regulated standards do not give enough consideration to local economic conditions.
5. FEDERAL FLOOD INSURANCE PROGRAM -- There is a great deal of dissatisfaction concerning the compulsory aspects of the law and its land use applications. There are quite a number of cases of individuals who have purchased retirement property or investment property, only to find that federally designated flood-prone area maps have rendered the land useless for any development whatsoever -- with the result that land values have dropped drastically. Much criticism has been leveled at the data base used in the drafting of the flood hazard boundary maps and the procedures by which communities can appeal the federal decisions.

6. POSTAL SERVICE -- Dissatisfaction is widespread in the Houston area, especially since the recent rate increase and a major change in local Zip Code designations (affecting 250,000 households in Houston) went into effect at about the same time. A lawsuit is now pending in federal court in Houston to force the Postal Service to provide door-to-door delivery in new housing developments -- as it does in established developments. Many feel that part of the answer lies in permitting private carriers to compete with the Postal Service in the delivery of first class mail.
7. SENIOR CITIZEN PROBLEMS -- Senior Citizens want immediate elimination of the Social Security earnings limitation, which serves as a barrier to continued active work. There is great interest in reforming the Social Security system in a way that would guarantee continuation of benefits for today's recipients, as well as those of the future.
8. REAL ESTATE AND HOUSING -- There is a need to encourage private savings that would increase the amount of private mortgage money available for new construction. As one of the nation's most rapidly growing areas (some 1,000 new residents per week), Houston is in need of continued growth in housing.
9. NATIONAL DEFENSE -- There is great concern that the U.S. is being lulled into complacency by detente and that we are giving in too much to the Soviets in the SALT talks. Coupled with this is a fear that our intelligence gathering network is being irreparably damaged by politicians seeking publicity.
10. GENERAL DISTRUST OF THE FEDERAL GOVERNMENT -- The bureaucracy is too large and uncommunicative. A common complaint is the way people are treated by various departments and agencies with which they have contact in either business or private matters.
11. NEW YORK CITY LOAN GUARANTEES -- Not very popular in Houston and other parts of Texas.
12. GUN CONTROL -- A solid majority of Texans are opposed to federal registration and controls beyond what now exist. They favor stricter enforcement of existing laws, with tougher penalties for those convicted of crimes with firearms.
13. FORCED SCHOOL BUSING -- Solid opposition throughout most of Texas. This is becoming a major issues in large Texas cities.



BACKGROUND MATERIAL FROM CONGRESSMAN JIM COLLINS  
FOR CONSIDERATION PRIOR TO THE PRESIDENT'S  
TRIP TO TEXAS

1. Defense
2. Oil and gas deregulation. Don't mention the fact that he did not veto the oil bill. Go heavy on deregulation of gas work.  
  
He should mention that 90% of the Republicans voted correctly and only 22% of the Democrats.
3. Talk about vetos. The ones he has made so far are very popular in Texas.
4. Busing is really a big item. Ford was the first northern congressman to oppose busing when he was in the House.
5. Blast the government bureaucracy.
6. Blast the liberal Congress and call the Democrats by name, "liberal Democrats".

There are two big environmental issues in Texas. Big Thicket - The Department of Interior has been very slow in buying up the land. Very much controversy in acquiring land for This project.

Trinity River Barge Canal. Proposed Canal from Dallas to the Gulf.

BACKGROUND MATERIAL FROM CONGRESSMAN ALAN STEELMAN  
FOR CONSIDERATION PRIOR TO THE PRESIDENT'S TRIP  
TO TEXAS

Busing in the Dallas area. While it is a problem there and the people are upset about it, the people are trying to deal with it. There might be a question on it, but don't bring it up if you can avoid it. Should be carefully briefed on court action.

Military base closing of Big Spring and Corpus Christi. They are very upset about this.

High utility bills. Electricity and gas are both out of sight. They use intrastate gas which is not regulated.

Postal service is a particular problem in Dallas. Far flung system of sorting mail. It takes more time than usual just to get a letter across the city.

Social Security and overall stability of the program. Problems with Medicare.

Title 20 Social Services regulations.

Continuation of Veterans education programs.

Brucellosis. Federal standards for Brucellosis that Texas cattlemen are fighting with the Dept. of Agriculture. Dept. of Agriculture wants to preclude Texas beef from the market. This would only come up if there is a meeting with a group of cattlemen.

Offshore Ports. Important on coast between Houston and Corpus Christi. There is some controversy about the location.

200-mile Limit on Fishing vessels. This is because of a problem they have with Mexico with tuna fishing off the Gulf of Mexico.

Independent producers of oil. IPAA has rumor that Dept. of Treasury is threatening to end their intangible drilling costs deductions.

Public officials are trying to get Concorde use for Dallas. Most of it is pro-Concorde.

EARLIER DRUG QUESTIONS

## QUESTIONS ON DRUG ABUSE AND CONTROL

The following questions were submitted in writing several months ago by the San Antonio Light. The replies were drafted by the Domestic Council and, after your approval, were published by the Light on March 14, 1976.

They are included in this briefing book so that you will be familiar with the questions and the phraseology of your replies as read by people in the San Antonio area.

--Jim Shuman

Question #1

You personally and members of your Administration have been expressing increasing concern about the flow of heroin and other narcotics into the United States from Mexico. In as specific terms as possible, could you tell us what the Federal Government has done to curtail this influx, especially along the Texas-Mexico border?

Answer

The Federal drug enforcement strategy has three major components: assistance to foreign governments in their enforcement and eradication efforts in order to reduce the supply available to come into the United States; border interdiction which is designed to intercept drugs as they cross our national boundaries; and lastly, a strong domestic enforcement and demand reduction program.

Special concern with drug traffic from Mexico is evidenced by the substantial commitment we have made to provide equipment such as troop carrying helicopters, aircraft and other technical assistance and training for the crop eradication and interdiction efforts of the Government of Mexico.

To further support the Mexican efforts, I have personally spoken with President Echeverria of Mexico and have directed the Secretary of State and the Attorney General to personally convey my deep concern to the Mexican authorities, along with my desire to continue seeking ways which our two countries can further strengthen efforts to tackle the drug problem.

While I believe the United States Government has a responsibility to support foreign nations in their narcotics control efforts, I also believe that we must conduct an efficient and effective interdiction and enforcement program within this nation. Almost 4,200 Federal law enforcement personnel are assigned along the southern border of the U.S. stretching from San Diego, California to Miami, Florida. This manpower is supported by almost 100 aircraft, 30 marine craft, 1,400 land vehicles and drug detection dog teams. The United States Customs Service, the Immigration and Naturalization Service, and the United States Coast Guard are the principal agencies assigned responsibility for the interdiction of land, air and sea smuggling of drugs and other contraband. To further enhance the effectiveness of these organizations and to generate even greater interagency coordination and cooperation to reduce the flow of drugs across our borders, I have directed the Domestic Council's Drug Abuse Task Force to present me with specific recommendations for improving our ability to control drug trafficking along the southwestern border.

The Drug Enforcement Administration in the Department of Justice is the Federal organization assigned the responsibility of coordinating our overall drug intelligence, investigation and enforcement activities at the Federal level. I have requested the Attorney General and Peter Bensinger, the new Administrator of DEA, to ensure that the efforts of that agency are focused on immobilizing and incarcerating the leaders of major drug trafficking organizations. By concentrating on these important violators, we will more severely disrupt the distribution of narcotics in the United States.

Question #2

Is there any documented evidence that your Administration's efforts thus far have actually reduced that influx? If so, could you please review that evidence.

Answer

The results of our Federal interdiction and enforcement have been encouraging:

- Interdiction at our nation's borders have resulted over the past 18 months in over 21,000 seizures of narcotics, including 235 pounds of heroin, 1,100 pounds of cocaine and 400 tons of marihuana.
- In calendar year 1974, the Drug Enforcement Administration arrested over 1,400 major violators. Preliminary statistics for 1975 indicate an increase to approximately 2,000, demonstrating that the shift in emphasis suggested in the White Paper on Drug Abuse is occurring.
- The results of the Government of Mexico's eradication program also have been impressive. In 1971 the Mexican Government estimated that it had eradicated 2,300 fields; it is projecting eradication of some 15,000 this year. I believe that these increases are a direct result of both our aid and technical assistance, and the Government of Mexico's commitment to the program.

Thus, while it is impossible to determine precise quantities of illegally imported drugs, I believe that the significant increases in our drug control efforts have had an impact on reducing the flow of drugs to the U.S. Of course, we have a long way to go.



Question #3

What plans have been proposed by your Administration to ensure continued narcotics vigilance along the U.S.-Mexico border?

Answer

The answer to this question is contained in #1.

Question #4

The Office of Management and Budget, in its "Seventy Issues" budget report, characterized the proposed increases in the Fiscal Year 1977 "drug budget" as "relatively modest"; indeed, the proposed budget increase for the Drug Enforcement Administration does not fill the dollar gap created by inflation. How does the Administration justify the "relatively modest" budget increases in the face of a worsening narcotics trafficking and drug abuse problem?

Answer

First, I want to clear up a misconception in your question. The Budget I have submitted does request an increase for the Drug Enforcement Administration in Fiscal Year 1977. It requests additional positions for intelligence, and for regulatory and compliance activities. In a broader sense, I concluded that the Domestic Council's White Paper on Drug Abuse was correct, and that the Federal Government could achieve increased effectiveness in this area largely through refocusing and retargeting existing resources. Internal refocusing of resources against major drug traffickers, which I believe is the important target for Federal enforcement efforts, is occurring. Additionally, the Drug Enforcement Administration is concentrating on inter-regional and international trafficking networks in order to severely disrupt the flow of drugs coming into this nation.

Question #5

How would you characterize the recent efforts of Mexico to control narcotics production and trafficking in that country?

Answer

I believe that the recent efforts of the Government of Mexico relative to control of narcotics production and trafficking in that nation demonstrate its keen awareness and deep concern for the increase of the drug abuse problem in both of our nations. The results of this year's crop eradication program will far exceed the results of previous years. This is in part due to the additional equipment and technical expertise provided through the State Department, but more due to the commitment of combatting this problem demonstrated by the responsible Mexican officials. In short, I am extremely pleased with the cooperation we are receiving from President Zcheverria and the members of his Administration.

Question #6

The Federal Government has dispensed millions of dollars in aircraft, other special equipment, and training funds to Mexico for narcotics control. What evidence can you cite that the money and equipment are being used solely to further international narcotics control efforts, and not to counter insurgent groups there?

Answer

We have seen no evidence to suggest that U.S. money and equipment are being diverted to purposes other than narcotic control. To the contrary, I have every indication that U.S. assistance is being used solely to further international narcotics control efforts.

Question #7

The Treasury Department's Bureau of Alcohol, Tobacco and Firearms plans to step up gun control efforts along the U.S.-Mexico border in an attempt to curtail the illegal flow of weapons into Mexico; the Drug Enforcement Administration reports that, in some instances, guns are exchanged for narcotics in Mexico. Has the Mexican Government communicated to you, or to members of your Administration, its concern about gun running to Mexico?

Answer

The Mexican Government has expressed some concern over illegal importation of arms from the U.S. and, as a result, our two governments are working jointly to curtail this activity.

Question #8

Does your Administration have any evidence that any weapons of U.S. origin are reaching insurgent or guerrilla groups in Mexico?

Answer

We have heard occasional reports to this effect, but have no firm confirmation. These reports are, of course, a matter of concern to me and the Government of Mexico. The Bureau of Alcohol, Tobacco and Firearms and the U.S. Customs Service actively pursue any such reports in cooperation with the Mexican Government.

Question #9

Legislation has been proposed -- specifically, Senator Mansfield's amendments to the Foreign Military Assistance Act -- that seeks to impose stricter controls on Drug Enforcement Administration operations abroad. If these controls are put into effect, what will the impact be on U.S.-encouraged international narcotics control campaigns?

Answer

The proposed amendments to the Foreign Military Assistance Act may indeed be overly restrictive and thus may impair U.S. drug intelligence and international narcotics control efforts abroad. I share Senator Mansfield's concern about the possible involvement of U.S. drug enforcement officials in activities which may involve the use of force. But, I also am concerned that legislative attempts to define the precise limitations on activities could be counter-productive and could indirectly damage a vital part of our overseas program. I believe careful management can avoid the type of excesses which we must avoid. Accordingly, I have instructed Peter Bensinger to work with the Department of State to develop appropriate guidelines for DEA activities abroad.

Question #10

Across the country, there are moves under way to "decriminalize" marihuana use by individuals, even as the Federal Government spends millions of dollars each year in an attempt to prevent marihuana from entering the U.S. What is the effect of these "decriminalization" efforts on Federal drug control efforts?

Answer

The current movement by a few states to decriminalize marihuana will have absolutely no effect on the Federal drug control program. The existing Federal enforcement policy, with regard to marihuana and other drugs, is to focus our efforts on major violators involved in inter-regional and international trafficking activities. This, I believe, is an appropriate role for the Federal Government and is an appropriate use of its resources. U.S. Federal enforcement officials will attempt to interdict major shipments and arrest major traffickers of all illicit drugs.



Question #11

In your State of the Union message, you spoke of mandatory prison sentences for traffickers in narcotics. What penalties do you envision, and how does your Administration intend to write them into the law?

Answer

I believe it is essential that more serious crimes, and those who commit them, be dealt with in a speedy, fair manner and that the punishment match the severity of the crime. Currently, the Criminal Justice Reform Act of 1975, a bill to codify and reform U.S. Federal criminal law which I support, is in the Senate of the United States. In its present form, it would require mandatory minimum sentences of five to ten years for trafficking in heroin.

Question #12

Your Domestic Council's Drug Abuse Task Force, in its "White Paper" issued last September, called for increased cooperation between the Drug Enforcement Administration and the U.S. Customs Service. Do you believe the interagency quarrel has hampered drug control efforts, and has that problem been resolved to your satisfaction?

Answer

The implementation of Reorganization Plan #2 of 1973 and subsequent attempts to redefine border jurisdictional responsibilities created uncertainties in the definition of agency responsibilities and resulted in a period of instability characterized by a lack of interagency coordination and cooperation. Recently, however, the Drug Enforcement Administration and the U.S. Customs Service have signed a detailed "Memorandum of Understanding" which sets forth the operational responsibilities of each agency in our drug interdiction and enforcement efforts. The resulting increased cooperation has already resulted in many significant seizures of heroin, cocaine, and marihuana. I am confident that the period of instability has passed and that the future will be characterized by even greater interagency coordination and cooperation.

Question #13

Narcotics investigations and drug interdiction are now primarily the domains of the Drug Enforcement Administration and the Customs Service. Have you encouraged other government agencies, such as the Internal Revenue Service and the Federal Bureau of Investigation, to take more active roles in attacking criminal elements engaged in narcotics trafficking and its financing? If so, how?

Answer

While the Drug Enforcement Administration is the lead agency in narcotics investigations, and the U.S. Customs Service has principal responsibility for interdiction along our nation's borders, the overall Federal program has long included many other Federal organizations. The Internal Revenue Service has long been involved in the financial and tax aspects of known criminals while the Federal Bureau of Investigation frequently exchanges information with the Drug Enforcement Administration that it develops in other areas. The United States Coast Guard, in conjunction with the Drug Enforcement Administration and the Customs Service, has mounted several joint operations in marine interdiction off the coast of Florida and has recently instituted the same program off the southern coast of California. The Federal Aviation Administration, as well as the Department of Defense, assist our interdiction efforts through supporting roles in detecting intruding air flights across our borders.

Clearly, we must use all of the resources available to the Government if we are going to successfully fight the drug problem. This view has been communicated to all departments and agencies at the Federal Government.



ACQUISITION OF LAND  
FOR BIG THICKET NATIONAL PRESERVE

Q. Since the Big Thicket Park was established by Congress in 1974, only about 100 acres have been acquired. What are you going to do about further land acquisition, particularly in light of the fact that considerable amount of pine stands are being cut in the areas due to be acquired?

A. These lands are to be acquired out of the Land and Water Conservation Fund over a period of six years.

For FY 1977, I have requested full funding for the Fund -- \$300 million -- and expect the Big Thicket acquisition to be significantly accomplished in the prescribed time.

Background

Big Thicket National Preserve, Texas, was established October 11, 1974 by P.L. 93-439. The authorized park size is 85,550 acres, of which only 100 acres have been acquired to date. The Act authorized \$63,812,000 for land acquisition; through September 30, 1976, \$3,321,000 has been appropriated. A \$3.8 million supplemental is under consideration in the House. The budget request for FY '77 for land acquisition is \$9.3 million.

The lands within the Park boundary are private until acquired; some of this acreage contains pine stands which are being cut. The cutting was accelerated due to outbreak of southern pine beetles. The National Park Service has identified 4,200 acres (valued \$3.8 million) of timber within the Park boundary that is endangered by the beetle and subject to near-term cutting. There is considerable pressure on the National Park Service to protect the resource from this further timber cutting.

TRINITY RIVER BARGE CANAL

- Q. What is the position on the Trinity River Barge Canal Project?
- A. I understand that there was a referendum in 1973 on the Project and the people of Texas turned it down. Therefore, I think it would be inappropriate for this Administration to have any position on the project at all.

Background

The Trinity River Barge Canal proposed to run from Fort Worth to the sea; was placed on referendum in Texas in 1973 and was defeated. There is a proposed Tennessee Colony flood control project 93 miles downstream from Ft. Worth. There is organized opposition to this project as well by those who would prefer improved land use controls and other non-structural measures instead of the floodworks. A decision whether or not to proceed is expected by the Corps in early summer.

## EPA AND TRANSPORTATION CONTROLS

Q. The Environmental Protection Agency recently proposed controls on transportation in the Houston area. These proposed controls have met widespread opposition. We Houstonians want a clean environment but we feel that these artificial Federally regulated standards do not give enough consideration to local economic conditions. Is there anything we can do to have these proposed regulations modified?

A. It is my understanding that the proposed controls were suggested by a consulting group and not by EPA. EPA has not attempted to impose any strategies. Under the law passed by Congress, the localities are required to submit their plans to show how they are going to meet the requirements of the Clean Air Act.

I believe that most of the goals of the original Clean Air Act are commendable. However, I am convinced that one must achieve these goals at a pace that the people and the economy can sustain.

Last year, this Administration proposed changes in the Clean Air Act that would modify the requirements for Transportation Control Plans. Both Houses of Congress are considering amendments to the Clean Air Act at the present time. Thus, I am hopeful that there will be somewhat more realistic legislation in the near future.

### Background

Under the Clean Air Act, EPA is required to ensure that "State Implementation Plans" for air quality improvement are adequate to attain national ambient air quality standards. In some urban areas, the ambient standards for automobile pollutants cannot be accomplished without TCPs. In these cases EPA must, by law, see that TCPs are included in the Plan.

In Texas, EPA did promulgate TCP regulations in November, 1973, but these were not implemented because of a court decision. Since August, 1974, EPA and the State of Texas have jointly been attempting to define acceptable TCPs for cities where they are required. Many of these plans have not yet been fully completed, and none has been officially proposed. Although the promulgation schedule will probably be affected by the amendments to the Clean Air Act presently being considered by Congress, it was initially expected that the plans would be officially proposed within the next few months, after which there would be extensive public hearings. Based on these hearings, the plans might be further modified before being officially adopted.

Recognizing that there can be high economic and social costs associated with TCPs, last year the Administration, in the Energy Independence Act, adopted a position that the TCP requirements should be relaxed if not eliminated. Both Houses of Congress have made substantial relaxing modifications to the requirements in their proposed amendments to the Clean Air Act.



CONCORDE - DALLAS

Question

Dallas officials are trying to get the Concorde to fly here. Will Federal government interfere, help?

Answer

The operations specifications only permit commercial Concorde flights into Dulles and New York under controlled conditions of Secretary Coleman's detailed study. This would not permit commercial flights of the Concorde into Dallas until after the trial has been made.

The British and the French would have to file an amendment which would then require another Environmental Impact Statement. This change would be very unlikely until after the demonstration time has been allowed and the results considered.

4/6/76  
JRH

SOUTHWESTERN BORDER REGIONAL COMMISSION

Q: In December, 1975 you signed into law, P.L. 94-188 which encourages the formation of a regional commission for the border area between Mexico and the States of California, Arizona, New Mexico, and Texas. When do you think such a commission might be formed?

A: Formation of Commissions is dependent on initiatives by the Governors of the affected states. It also depends on a finding by the Secretary of Commerce that the region has the necessary economic and social characteristics. I know that several of the Governors are interested in this Border Commission, including Governor Briscoe. If the Governors reach a consensus, I am sure that Secretary of Commerce Richardson can then begin the process required for designating the area.

BACKGROUND

The primary role of a Commission is development of a long-range comprehensive economic development plan for the region and assistance to its member States and localities in achieving more employment and investment opportunities. It can also provide technical assistance to States and localities in the region including demonstration projects in such areas as energy, transportation, health and vocational education. Once a comprehensive long-range plan has been approved by the Secretary of Commerce, the Commission can make supplemental grants to help its States and localities take advantage of various Federal public works grant-in-aid projects.

The Secretary of Commerce is authorized by the Public Works and Economic Development Act to designate multi-State economic development regions with the concurrence of the Governors, if he finds the region has an historical, cultural, geographical and economic relationship and if he finds it has lagged behind the Nation as a whole in terms of employment, family income, housing, health and educational facilities, and the rate of growth. He should also consider changes in national defense facilities or production in the proposed region, changing industrial technology, outmigration of labor or capital or both, and economic domination by one or more declining industries. Under the Act, however, Texas, California, Alaska and Hawaii can each be designated single-State regions if they meet the other criteria.

## OFF-SHORE PORTS

- Q. There is a major controversy over the locating of off-shore ports on the Texas Gulf Coast. What are you going to do to resolve this problem?
- A. The Secretary of Transportation has been asked to evaluate two competing deepwater port proposals for the Texas Gulf Coast, choosing one or the other-- or possibly both--as best serving the national interest. An Environmental Impact Statement on the two proposals is due this month, with a final decision this summer. I have full confidence in Secretary Coleman, and I am sure he will make the right decision when all the facts are in. Obviously, without all the pertinent studies being completed, I would not want to have a final opinion at this time.

### Background

Organizers of Seadock applied in January for a Federal deepwater port license to build a monobuoy port off Freeport, between Galveston and Corpus Christi. It would be about 30 miles offshore in 95 feet deep water, and could handle up to 2 million barrels a day of crude oil. It is backed by a consortium of nine oil companies.

The rival proposal is to expand greatly the Port of Galveston, possibly to the capacity of Rotterdam. The plan is to build a channel 1,000 feet wide and 67 feet deep, 40 miles out into the Gulf. The Port of Galveston applied in February, under Section 4(d) of the Deepwater Port Act, for the Secretary's determination as to which proposal is preferable.

The Galveston Port would be multipurpose, able to handle bulk grain and ore shipments as well as up to 4 million barrels a day crude oil. It would require a very large amount of dredging -- about 230 million cubic yards. In 1972 and 1973 (most recent data years), the total amount of material dredged by the U.S. Corps of Engineers in the United States, including Alaska, was 350 million cubic yards.

Seadock, being in naturally deep water, requires no dredging. It could handle larger supertankers than Galveston because of its deeper water.

## FEDERAL FLOOD INSURANCE PROGRAM

Q: The compulsory aspects of the Federal Flood Insurance Program are creating much hardship, especially in the Houston area where people have purchased retirement or investment property only to find that Federally designated flood prone area maps have rendered the land useless for any development. Many people feel the data base used to establish these flood prone areas is faulty and that procedures for appeal are inadequate. Do you have any plans to propose changes in this program?

A: I have asked Congress to exempt existing property owners in flood plains from the prohibition against Federally related mortgage financing. HUD has also implemented a statutory ninety day appeals procedure for communities and individual citizens prior to finalization of any flood insurance rate maps. I have also directed HUD to accept appeals by local governments at any time and work with these communities to resolve differences.

### Background

The National Flood Insurance Program is a partnership of all levels of government. The Federal government subsidizes existing structures in the flood plain and provides technical documentation of the risks facing States and local governments. The States coordinate the efforts of communities to reduce the risk and, most importantly, the local governments, which agree to participate, implement safer development standards.

Most of the local governments in the Houston area are actively implementing this program; 14,000 local governments in the nation are likewise doing so. Approximately \$20 billion of flood prone properties are covered by flood insurance.

Citizen groups in suburban counties adjacent to Houston, led primarily by realtors and developers, have exerted strong opposition to the National Flood Insurance Program. State and local officials, on the other hand, have largely supported the program.

FLM  
4/6/76

FLOOD INSURANCE

Q: Why should the Federal government subsidize flood insurance? Aren't the Federal disaster programs sufficient to deal with flood problems?

A: As a result of the National Flood Insurance Program's incentives to build new properties in flood prone areas more safely, taxpayers will save an estimated \$2 billion a year in averted disaster relief by the year 2000.

FLM  
4/6/76

## WATER PLANNING

- Q. Water supplies in West Texas and the Panhandle have been dwindling, posing a serious threat to the areas of agriculture and economy. How can the Federal Government help Texas develop long-term reliable sources of water?
- A. In addition to the assistance available for water resource projects from the U.S. Army Corps of Engineers, Interior's Bureau of Reclamation, and Agriculture's Soil Conservation Service, provisions of the new Safe Drinking Water Act can help protect groundwater supplies. Under Section 1424(e) of the Act, the Administrator of the Environmental Protection Agency can designate for protection any aquifer which is the major source of water for an area. Administrator Train has given preliminary approval to the designation of the Edwards Aquifer, northwest of San Antonio for such protection. Once designated, no Federal activity can be undertaken which may endanger the aquifer.

LAND USE

- Q. Do you support land use planning as proposed by the Representatives Alan Steelman, the Republican Senatorial candidate, and Morris Udall?
- A. As I stated in Florida in February, I am opposed to Federal land use legislation because I think the State and local units of government can make better land use decisions. A number of States have already enacted comprehensive land use legislation, and others are considering it. Therefore, it appears there is no need for the Federal Government to involve itself.

## MEAT IMPORTS

Q: What are you doing about excessive meat imports?

A: For 1976, the participating countries have agreed on essential elements of the import restraint program which will limit imports to 1,223 million pounds. Formal agreements with participating countries are expected to be concluded shortly.

In 1975 we negotiated voluntary import restraints equal to 1,180 million pounds. While there is some uncertainty about the statistics on the actual import quantities, the Secretary of Agriculture estimated during all of 1975 that meat imports would not exceed that level. To eliminate any uncertainty about meat import statistics, USDA is investigating the 1975 meat import data and working to improve 1976 data collection methods.

### BACKGROUND

The Meat Import Law (P.L. 88-482) enacted in 1964 provides that if yearly imports of certain meats --- primarily frozen beef --- are estimated by the Secretary of Agriculture to equal or exceed 110 percent of an adjusted base quantity, quotas are to be imposed on the imports of these meats. The adjusted base quantity for 1976 is 1120.9 million pounds and the "trigger level" is 1,233 million pounds. Without the expected impact restraint arrangements with supplying countries, 1976 imports probably would substantially exceed the trigger level.

Some farm leaders have criticized the State Department for negotiating the 1975 restraint level too near the trigger level. This, in their view, increased the risk that imports would exceed the trigger level. The State Department has taken this point into account in negotiating the 1976 restraint levels. The State Department plans to restrain imports at a level about 10 million pounds below the trigger level for 1976 of 1,233 million pounds.

Farm leaders have also criticized the State Department for being slow in getting the 1976 restraint program in place. Although you took a decision last December to negotiate a restraint level for 1976, the State Department has not yet fully completed the negotiations.



The trigger level in 1975 for the imposition of quotas on meat subject to the Meat Import Law was 1,181 million pounds. However, the Secretary of Agriculture's estimate of imports, rather than the actual level of imports, triggers the quotas. For 1975 the Secretary's import estimate was 1,180 million pounds. Again, this was based on the voluntary restraint program levels negotiated with the overseas supplying countries.

Uncertainty continues regarding the statistics on the quantity of meat which was imported in 1975. Import figures from the Census Bureau of the Commerce Department, which are the U.S. official trade figures, show imports of 1,209 million pounds. Figures from the Customs Bureau of the Treasury Department, which may be more accurate, show imports of only 1,168 million pounds. There is some evidence that the higher Census Bureau figures include some imports which actually cleared customs, and therefore were imported, in December 1974. An investigation is underway to determine the reasons for the discrepancy between the Census Bureau figures and those from the Customs Bureau.

PCL  
4/1/76

## DAIRY AND MEAT IMPORT CONTROLS

Q: Why does your administration oppose legislation to control dairy and meat imports?

A: Because we would lose more than we would gain. Let me list some reasons for opposing S. 2598:

1. Present safeguards and legislative authority for health and sanitary controls of dairy and meat imports are fully adequate. Nevertheless, the proposed legislation would require about 650 American inspection supervisors abroad.
2. The requirements for American inspection supervisors abroad plus labeling requirements would amount to a substantial new nontariff barrier to trade. This would drastically reduce imports and would badly hurt the economies of other nations.
3. Those injured countries would probably take retaliatory measures against our agricultural exports, which are so vital to our balance of trade and to the full farm production that helps us all.
4. This would clearly hurt American agriculture as a whole and would harm the conduct of our foreign economic and trade policy.

### BACKGROUND

S.2598 would impose new labeling and sanitary requirements on imports of dairy products and new labeling and supervision requirements on imports of dairy and meat products. All imported products would be required to be labeled "imported".

The Department of Agriculture knows of no evidence to indicate that these additional requirements are necessary to safeguard the health and safety of American consumers. Furthermore the use of excessive sanitary and technical standards is an old device for restricting trade. Such practices are not in the interest of American farmers who rely heavily on excessive foreign markets for their income. Thus, USDA has testified against the bill.

S. 2598 was introduced in October 30, 1975 by Senator Packwood with 38 co-sponsors. It has the strong backing of several dairy and cattlemen's organizations. Similar bills have been introduced in the past without success.

The main dairy suppliers from abroad accounted for \$518 million of our total fiscal 1975 agricultural exports of \$21.6 billion. The main meat suppliers accounted for exports of \$8.4 billion. These countries bought farm products worth \$8.7 billion\*, which is 40 percent of our exports. Our total dairy and meat imports were less than \$1.3 billion. So, this proposed control legislation would jeopardize \$8.7 billion worth of U.S. farm exports in order to cut back on \$1.3 billion in imports. The ratio against us is 7 to 1.

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\* This import figure eliminates double counting for countries which export both meat and dairy products to the U.S.

PCL  
4/1/76

## CATTLE BRUCELLOSIS QUARANTINE

Q: Is Texas still threatened with a possible Federal quarantine which would prevent it from shipping cattle outside of the state?

A: No. I'm told that Federal veterinarians and the Texas Animal Health Commission, with the help of the courts, have largely resolved their differences over the details of a program designed to eliminate brucellosis from Texas.

### BACKGROUND

Brucellosis in cattle is one source of undulant fever in humans. Furthermore it is a disease that is very costly to the cattle industry -- costly in terms of aborted calves, milk production and reduced breeding efficiency. Thus, the USDA has a program to control the interstate shipment of diseased cattle.

The nation, including Texas, has made great progress in eliminating brucellosis. Over 99 percent of our dairy and beef cattle are now free of the disease. USDA, the states and the industry are working to eliminate the disease in the remaining one percent of our cattle.

PCL  
4/6/76

HOG CHOLERA

Q: Is there a chance that a Federal quarantine will again bar Texas from shipping hogs outside the state?

A: Only if it has another outbreak of hog cholera.

BACKGROUND

Texas was declared hog cholera free in May 1974, being the last state among the 50 states to achieve this status. But it had another outbreak of the disease near Hereford, Texas, in July 1975. The affected area was immediately placed under quarantine. State and Federal veterinary officials quickly moved in and the outbreak was soon eliminated. The quarantine was lifted in August 1975. And Texas has had no hog cholera outbreaks since that time.

PCL  
4/6/76

## RICE SURPLUS

Q: There is a surplus of rice in the East Gulf Coast area of Texas and we expect this year's crop, which will be harvested in July, to exceed last year's. Do you have any plans for new ways to use this surplus - in "Food For Peace," or School Lunch, or other types of programs?

A: In January we set a target of 850,000 metric tons of rice to be exported under the P.L. 480 program before the 1976 rice crop is harvested in late summer. Right now, it looks as if we will exceed that goal.

Altogether there is a potential for shipment of 925,000 metric tons of rice for export under P.L. 480. In all likelihood, the full amount will be shipped before the new rice crop is harvested. This total includes:

- A carry-in commitment from 1975 of 127,000 metric tons of rice to be shipped in 1976.
- Signed agreements with foreign nations for shipments of another 386,000 metric tons.
- Another 312,000 metric tons under negotiation.
- And 100,000 metric tons approved within the Government's interagency staff committee that oversees the P.L. 480 program.

PCL  
4/6/76

## RC&D PROGRAMS

Q: Why is it that the Agriculture Department has neither initiated nor funded a RC&D project in Texas this year?

A: Of 15 new starts proposed to the Secretary of Agriculture for fiscal year 1976, two were in Texas but neither was selected. The "Sam Huston" project was determined to be of less economic benefit to communities than competing projects. The "North Rolling Plains" project proposal was determined to be premature since the involved communities were not ready for the project.

Currently, however, Texas has 8 of 168 RC&D projects operating nationally. Of 25 new starts nationally in 1974, two were in Texas; of 10 new starts in 1975, one was in Texas.

### BACKGROUND

RC&D is "Rural Conservation and Development". This Farmers Home Administration (FmHA) program is designed for depressed areas. FmHA plays only a minor role in helping depressed areas, while the Economic Development Administration has a much larger role.

PCL  
4/6/76

FARMERS HOME ADMINISTRATION PERSONNEL

Q: Why is it that the Farmers Home Administration gives Texas the short-shrift in personnel allotments?

A: It doesn't. In earlier years Texas and some other states had received proportionately higher shares of personnel in handling FmHA farm and ranch programs. As new programs in areas such as community development, housing and sewer projects have come into being, a new formula for personnel assignments has been worked out. This new formula is as fair to Texas as to other states.

PCL  
4/6/76



REAGAN STATEMENT:

"...As a matter of fact, government makes a profit on inflation. For instance, last July, Congress vaccinated itself against that pain. It quietly passed legislation (which the President signed into law) which automatically now gives a pay increase to every Congressman every time the cost of living goes up. It would be nice if they'd thought of some arrangement like that for the rest of us..."

FACT:

In 1974, Reagan signed into law a bill which included a cost of living increase in the Legislators' executive retirement system.

After 8 years as Governor, Reagan receives \$1,148 per month in retirement benefits. This amount will be adjusted for the cost of living for the rest of his life, whether he works or not.

*Ray Mussen*  
*RM*

REAGAN STATEMENT:

"...The laws passed by Congress can be repealed by Congress. And, if the Congress is unwilling to do this, then isn't it time we elect a Congress that will?..."

FACT:

This statement implies that Reagan's leadership could influence the makeup of Congress.

The following compares the makeup of the Legislature in 1967 when Reagan took office, and in 1975 when he left:

	<u>1967 Session</u>	<u>1975 Session</u>
Assembly:	37 Republicans 42 Democrats	25 Republicans 55 Democrats
Senate:	19 Republicans 21 Democrats	15 Republicans 25 Democrats

REAGAN STATEMENT:

"...There was a reason for my seeking people who didn't want government careers. Dr. Parkinson summed it all up in his book on bureaucracy. He said: 'Government hires a rat catcher and the first thing you know, he's become a rodent control officer'..... I don't believe that those who have been part of the problem are necessarily the best qualified to solve them..."

FACT:

Among Reagan's appointments while Governor were:

Spencer Williams - defeated candidate for Attorney General in 1966. Appointed Secretary of Health and Welfare for California. Now a Federal judge.

William Symore and Verne Sturgeon - former State Senators, now members of the California Public Utilities Commission.

Hale Ashcraft and Carl Britsghi, former Assemblymen, now members of the California Workmens Compensation Appeals Board.

Dwight Geduldig - former public relations director of the State Board of Equalization, became Director of Health Care Services.

Ed Reinecke - former Congressman, was appointed Lt. Governor.

John Harmer - former State Senator, was appointed Lt. Governor.

Among his State appointees who subsequently held positions in Washington were:

Lyn Nofziger, Reagan's Press Secretary, became Richard Nixon's Deputy Director of Communications.

Caspar Weinberger, Reagan's Director of Finance, became Nixon's Director of the Office of Management and Budget and later his Secretary of Health, Education, and Welfare.

James Dwight, Reagan's Deputy Director of Finance, became Nixon's Deputy Director of the Office of Management and Budget, and Administrator of Social and Rehabilitation Services.

Robert Carlson, Reagan's Director of Welfare became Nixon's Commissioner of Welfare at the Department of Health, Education, and Welfare.

REAGAN STATEMENT:

"...When I became Governor, I inherited a state government that was in almost the same situation as New York City.... California was faced with insolvency and on the verge of bankruptcy..."

FACT:

The California Constitution specifically prohibits deficit spending. The Administration and the Legislature is required to adopt a balanced budget.

When Reagan took office in January 1967, the budget for fiscal year 1967-68 was being prepared. To maintain the previous year's expenditure level, a deficit of \$280 million was projected.

In 1967, Reagan increased taxes by \$943 million, of which \$280 million was required to balance the budget.

When Reagan took office there were \$4.3 billion in general obligation bonds outstanding. When he left, this amount increased to \$5.6 billion.

REAGAN STATEMENT:

"...When we ended our eight years, we turned over to the incoming administration a balanced budget. A \$500 million surplus..."

FACT:

During Reagan's term, \$1.8 billion in Federal Revenue Sharing payments went into California. Of this amount, \$617 million went directly to State government, which is \$117 million more than his claimed surplus.

His three tax increases during his term resulted in a:

- 500% increase in personal income taxes
- 100% increase in Bank and Corporation taxes
- 50% increased in sales taxes
- 233% increase in cigarette taxes
- 40% increase in inheritance taxes

Taxes on insurance companies, liquor and utilities were increased and the oil depletion allowance decreased.

From 1967 to 1974, more taxes were collected and more money spent than in any period of California's history.

## TAXES DURING REAGAN YEARS

Fiscal Year	Local Taxes (in billions)	State Taxes (in billions)	Total State & Local Taxes (in billions)	Total Per capita Tax Load (in dollars)	Adjusted for Inflation (in dollars)
1966-67	\$4.3	\$3.8	\$8.1	\$426.26	\$426.26
1973-74	8.4	7.6	16.0	768.44	556.84

Source: Board of Equalization

## BUDGET GROWTH UNDER REAGAN

Fiscal Year	(in billions)				
	State Operations	% of Total	Local Assistance	% of Total	Total Budget
1966-67	\$2.2	48.0	\$2.4	52.0	\$4.6
1973-74	3.4	35.6	6.2	64.4	9.6
1974-75	3.5	34.5	6.7	65.5	10.2

Source: Department of Finance

REAGAN STATEMENT:

"...And, we kept our word to the taxpayers - we returned to them in rebates and tax cuts, \$5 billion 761 million..."

FACT:

To arrive at this figure, Reagan added up the accumulated total of the tax relief provisions of his 3 tax increase bills from 1968 through 1976.

To return \$5.76 billion in tax rebates, Reagan extracted in State tax increases an accumulated total of \$21.3 billion during the same period. The result is a net increase of \$15.5 billion in new State taxes.

During Reagan's 8 years, the total property tax take in California increased from \$8.84 per \$100 assessed valuation to \$11.24 per \$100.

REAGAN STATEMENT:

"...The State payroll had been growing for a dozen years at a rate of from 5,000 to 7,000 employees each year..."

Reagan went on to say:

"...When we ended our eight years (there were) virtually the same number of employees we'd started with eight years before..."

FACT:

The number of State employees increased by 45,000 during the 8 years Reagan was Governor; a rate of over 5,000 employees per year.

Number of State employees in man years:

FY 1966-67	158,000
FY 1974-75	203,000

This amounted to a 29% increase in State personnel. During this same period (1967-1974), the population of California increased by 8.8%. In the 8 previous years (1959-1966), the State population increased by 23.3%.

REAGAN STATEMENT:

"...And, we learned that the teacher's retirement fund was unfunded. A \$4 billion liability handing over every property owner in the state..."

Reagan went on to say:

"...when we ended our eight years...the teacher's retirement program was fully funded on a sound actuarial basis..."

FACT:

This is not a factual statement. The California teacher's retirement fund is not "fully funded". It is \$1 billion worse off than it was before the Reagan reform bill of 1971.

According to an Actuarial Valuation of the fund as of June 30, 1974, the unfunded liability increased from \$4.3 billion in 1972 to \$5.3 billion in 1974.

This trend is continuing, even though State general fund contributions have increased from \$91 million in 1970-71 to \$200 million this year, and school districts had to increase their contributions (from local property taxes) by 5 percent.



REAGAN STATEMENT:

"...The most comprehensive welfare reform ever attempted..."

FACT:

The Reagan welfare reform act contained 24 provisions of significance:

- 10 were enacted;
- 6 were enacted but modified by the Legislature;
- 8 were rejected by the Legislature.

Of the 16 enacted, fully or partially:

- 2 were reversed by subsequent action of the Legislature;
- 2 were made moot by new Federal law (SSI);
- 2 were subject to existing Federal limitations;
- 4 were invalidated by the court;
- 2 were partially invalidated by the court.

Thus, 12 of the 16 provisions were either invalidated or rendered substantially ineffective. Those provisions which remained were of limited significance.

They were:

1. Standardized the payment level.
2. Provided State assistance to local District Attorneys for fraud detection.
3. Allowed the attachment of wages of absent parent.
4. Tightened definition of unemployment for eligibility.

REAGAN STATEMENT:

"...And in less than three years we reduced the (welfare) rolls by more than 300,000 people....Saved the taxpayers \$2 billion..."

FACT:Welfare Caseload in California 1967-1974

	<u>FY 1967-1968</u> Reagan's <u>First Year</u>	<u>FY 1974-1975</u> Reagan's <u>Last Year</u>	<u>Change</u>
Aged, Blind, Disabled	422,023	597,379	+175,356
AFDC	785,099	1,345,908	+560,809
			<u>+736,165</u>

Following the enactment of the Reagan plan, the cost of welfare continued to increase. When the plan took effect, the State was spending \$91 million a month for family welfare. This increased to over \$102 million a month in December 1974. This is an increase of \$100 million a year.

Between October 1971 (when the Reagan "welfare plan" was adopted) and December 1973, there was a reduction in AFDC of 183,000 recipients.

The following factors should be taken into consideration:

1. In 1967 nearly 56% of those eligible for AFDC were receiving benefits. By October 1971, it was estimated that almost 95% of those eligible were on the rolls.
2. In the 20 months prior to October 1971, unemployment increased 85% in California.
3. In 1967 the annual migration rate into California was 233,000 persons. In 1971, the rate was 44,000.
4. In 1967 the average AFDC family contained 2.9 children. In 1974, the average family on AFDC had 2.194 children.
5. Los Angeles County double counted 20,000 cases, which was subsequently corrected.

REAGAN STATEMENT:

"...We put able-bodied welfare recipients to work at useful community projects in return for their welfare grants..."

FACT:

The 1971 welfare act provided for the Community Work Experience Program (CWEP) which required recipients to work up to 80 hours a month as a condition of receiving their grant. The program intended to have 59,000 participants in 35 counties in the first year.

Over a year later, December 1972, 6 counties established the program -- 2,707 recipients had been referred to CWEP and 184 had actually engaged in work activities.

In May 1974, the California Auditor General found that 262 participants found regular work as a result of the program at a cost of \$1.5 million. This amounts to \$6,000 in overhead costs, in addition to welfare payments, for each person placed in regular employment.

Because the program was a complete failure, it was repealed by the Legislature in 1974.

REAGAN STATEMENT:

"...I would like to restore the integrity of Social Security. Those who depend on it see a continual reduction in their standard of living. Inflation strips the increase in their benefits..."

FACT:

Reagan is apparently unaware of the provisions of the Social Security Act. The Social Security system does contain a cost of living escalator.

The current problem with the system is the fact that the cost of living is indexed for both wages and benefits. This is a flaw that could jeopardize the integrity of the system. President Ford has pledged to correct this situation so that Social Security benefits will continue to rise with the cost of living, but not to the extent that it threatens the future of the program.

REAGAN STATEMENT:

"...And people who reach Social Security age and want to continue working, should be allowed to do so, and without losing their benefits..."

FACT:

This change would add \$2 billion more to the cost of Social Security.

