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THE WHITE HOUSE
WASHINGTON

THE PRESIDENT'S BRIEFING BOOK
QUESTIONS AND ANSWERS

LOUISIANA AND TEXAS

April 27-30, 1976





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

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 diletantishly. 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 ADVOCATES FOR THE PRESIDENT

<u>MO/DAY</u>	<u>CITY</u>	<u>SPOKESMAN</u>	<u>EVENT</u>
APR 24		BETTY FORD	PLANNING ONLY
APR 24	SAN ANGELO	COOPER (HEW)	CONFERENCE OF SMALL
APR 24	AUSTIN	NESSEN (WH)	MEDIA ACTIVITIES
APR 25	AUSTIN	NESSEN (WH)	MEDIA ACTIVITIES
APR 26	COLLEGE STATION	JACK FORD	COLLEGE RALLY
APR 26	GEORGETOWN	JACK FORD	COLLEGE RALLY
APR 26	EL PASO	JACK FORD	COLLEGE RALLY
APR 26	SAN MARCOS	JACK FORD	COLLEGE RALLY
APR 26	PARIS	BAKER (COM)	PARIS JR. COLLEGE
APR 26	SULPHUR SPRINGS	BAKER (COM)	PFC RECEPTION
APR 26	AUSTIN	NESSEN (WH)	MEDIA ACTIVITIES
APR 26	MINEOLA	BAKER (COM)	ROTARY CLUB LUNCH
APR 27	BEAUMONT	JACK FORD	COLLEGE RALLY
APR 27	NACADOGEHES	JACK FORD	COLLEGE RALLY
APR 27	SAN ANTONIO	THORNBURGH (JUS)	LAW DAY LUNCHEON
APR 27	TEXARKANA	BAKER (COM)	ROTARY CLUB
APR 27	MARSHALL	BAKER (COM)	BUSINESSMEN'S RECPT.
APR 27	DALLAS	CORNELIUS (COM)	TESTIMONIAL FOR DALLAS
APR 27	DALLAS	KEARNEY (HUD)	AMERICAN BANKERS ASSOC.
APR 27	SAN ANTONIO	NESSEN (WH)	MEDIA ACTIVITIES

APR 27 HOUSTON	LYNN (OMB)	HOUSTON CLUB
APR 27 AUSTIN	PARSKY (TREAS)	UNIVERSITY OF TX.
APR 27 HOUSTON	BUCHEN (WH)	TRAVELERA AID INTERN.
APR 28 HOUSTON	NESSEN (WH)	MEDIA ACTIVITIES
APR 28 HOUSTON	COLEMAN (DOT)	PFC RECEPTION
APR 28 FT. WORTH	TED MARRS	
APR 28 SAN ANTONIO	PARSKY (TREAS)	MEETING WITH ENERGY
APR 28 EL PASO	THOMAS (TREAS)	DOWNTOWN KIWANAS
APR 28 CORPUS CHRISTI	HOFFMAN (DOD)	CHAMBER OF COMMERCE
APR 28 HOUSTON	COLEMAN (DOT)	METROPOLITAN MENS AND WOMENS' CLUB
APR 28 ODESSA.	SEIPMAN	
APR 28 HOUSTON	COLEMAN (DOT)	TEXAS SOUTHERN UNIVERSITY
APR 29 SAN ANGELO	THOMAS (TREAS)	
APR 29 DALLAS	LEIGH (STATE)	SOUTHWESTERN LEGAL FUND
APR 30 TEXARKANA	KELLEY (JUS)	NW TEXAS AND SW ARKANSAS
MAY 03 SAN ANTONIO	LEVI (JUS)	NATIONAL ASSOCIATION OF ATTORNEYS GEN.
MAY 03 SAN ANTONIO	BELL (HEW)	SPEECH, 5TH ANNUAL INTERNATIONAL BILIGUAL-BICULTURAL EDUCATION
MAY 03 AUSTIN	USERY (DOL)	TX BUILDING & CONSTRUCTION
MAY 10 SAN ANTONIO	CLEMENTS (DOD)	TEXAS ASSN. OF INSURANCE AGENTS CONVENTION

MAY 10 AUSTIN

HOLT (HUD)

THE GOVERNORS'
COMM. ON AGING

MAY 18 FT. WORTH

ECKERD (GSA)

REGIONAL REVIEW

MAY 19 DALLAS

RICHARDSON (COM)

INTERNATIONAL
TRADE CONFERENCE OF
THE SOUTHWEST SO.
METHODIST U.

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	

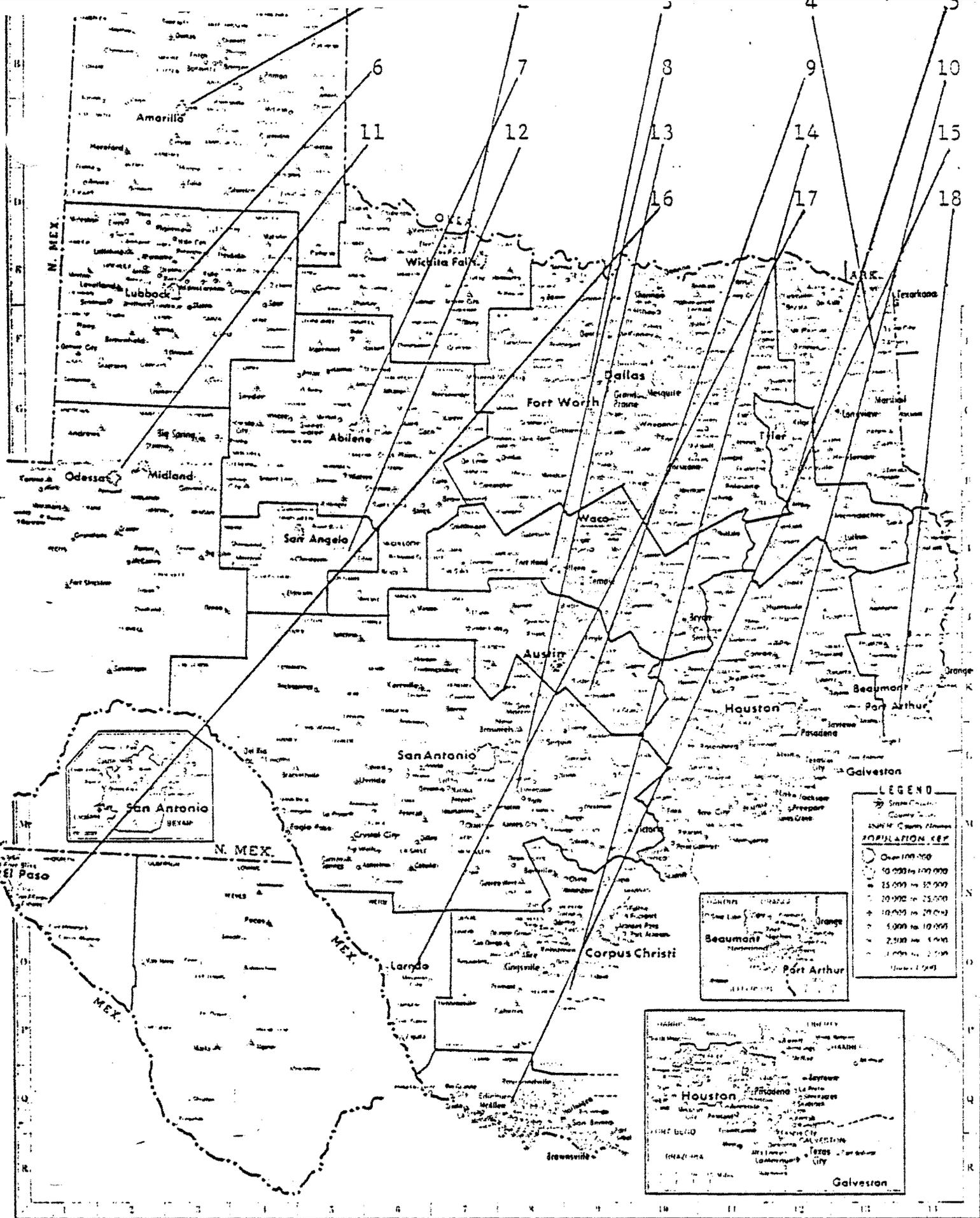
Most political activity of the Reagan campaign seems to be diffused with substantial authority delegated to local leadership. For example, the Reagan convention delegates are "unauthorized" and, we understand, are raising and spending money on their own behalf. There are no limitations on the independent 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.	Co-Chairman
Ray A. Barnhart	Co-Chairman
Mrs. William Staff	Co-Chairman
Ronald B. Dear	Executive Director
James E. Lyon	Finance Chairman
Mrs. Bruce Jacobsen	Regional Chairman, Ft. Worth
Mrs. Warren Binkley	Regional Chairman, Houston
Mrs. Louis Doehne	Regional Co-Chairman, San Antonio
Van Henry Archer	Regional Co-Chairman, San Antonio
Roger Hill	Regional Chairman, Dallas



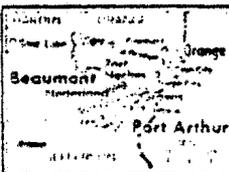
LEGEND

State Capital
 County Seat
 U.S.M. County Division

POPULATION KEY

	0-100,000
	10,000-19,999
	25,000-29,999
	30,000-39,999
	40,000-49,999
	5,000-9,999
	1,000-4,999

Source: 1940



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.

LOUISIANA ISSUES /
GUIDANCE

THE WHITE HOUSE

WASHINGTON

April 23, 1976

MEMORANDUM FOR:

JIM SHUMAN

FROM:

STEVE McCONAHEY *SSM*

SUBJECT:

Louisiana and Texas Issues

Listed below are some topics and issues relating to the Louisiana and Texas trip.

Louisiana

1. General Revenue Sharing - There is strong support amongst local officials for this program. The President's support should be well received along with a restatement of his belief in local decision making.
2. Prisons - Many local Louisiana jurisdictions along with the State are under a court order to improve their penal facilities. The problem has reached a point in some areas where no additional prisoners can be assigned to existing facilities. The President could emphasize his proposals for prison construction and the importance of adequate facilities to strengthen our criminal justice system.
3. Grain Scandal - Although the President will not visit the port cities in Louisiana, he should be aware of a broad scale investigation of grain fraud involving most of the major grain companies. The President may be asked about his grain inspection program.
4. North-South Highway - There is considerable support for construction of a major highway running north-south in Louisiana. This project has been under planning for almost eight years, and Congressman Joe Waggoner has been working to secure funding in the new highway legislation.
5. Red River Project - Local Officials have expressed strong support for a project to make the Red River navigable up through Shreveport and into Texas. The Corps of Engineers is involved and local officials are seeking additional Federal support.

6. Oil and Gas Regulation - Louisiana citizens are somewhat protective about their natural gas resources and feel that the regulation of these supplies for the use by other states may undermine their ability to meet their own future energy demands.

Texas

As a supplement to my earlier memo, the following should be noted:

1. Revenue Sharing - There is strong support; however, Mayor Hofheinz of Houston has expressed opposition to General Revenue Sharing under the present formula. He does not feel that Houston receives a fair share.
2. Welfare Reform - There is strong support for a crackdown on welfare and an improvement in the management of this program.
3. Energy - There is continued concern over the President's signing of the Energy Bill; however, my sources indicate that the President's approach to explaining what he originally asked for and what Congress was not willing to do received very positive response.
4. Airline Regulatory Reform - Many smaller Texas communities are worried that the Administration's reform measures will reduce their local air service. The President should stress the amendment to the Aviation Act of 1975 which will provide for more protection and financial support for this local service.
5. Big Government/Excessive Regulation - The President received good press on his recent meeting with Chairmen of the Regulatory Agencies. Statements about his desires to curb regulation, red tape and paperwork will be well received.
6. Dallas/Ft. Worth Airport - These cities are asking the Federal Government to be a friend of the court in their efforts to force Southwest Airways to move from Love Field to the new airport. There is a feeling that the FAA has not upheld its pledge to support the new airport facility.

7. Airport and Highway Legislation - The local officials are eager for passage of these two bills. The President may be asked where he stands vis-a-vis his original proposals and those which the Congress is currently considering.

8. Voter Registration

Governor Briscoe has inquired about the President's interest in supporting a voter registration drive. The purpose of the President's involvement would be to encourage military and Federal facility participation. We are awaiting details of the Governor's proposal before making a formal response.

LOUISIANA ISSUES OVERVIEW

ABORTION

Congressman Henson Moore recently conducted a poll in his 6th District which showed that 60% of the respondents were "in the middle," 20% were "opposed to," and 15% "favored" abortion on demand.

AGRICULTURE

Agriculture is a major source of income in Louisiana, although it could not be characterized as the number one concern. In general, the Ford Administration agriculture policies are popular, as is Secretary Butz. Farmers here believe strongly in a free market system of agriculture.

As a result, they are still somewhat upset by the grain embargo, especially as it impacted on exports of soybeans, a major crop in the northern part of Louisiana. Other major agricultural products in northern Louisiana are cotton and cattle. Rice and sugarcane are important products in the southern part of the state.

Up to 80% of the rice crop is exported; the remainder is used in making beer, with some small amount going to food in the U.S. The President recently signed a bill which "opened up" rice production, and then the bottom fell out of exports. Rice growers are blaming the Administration for their failure to sell their rice this year.

The Sugar Act was recently allowed to expire, so there are no real limitations of foreign sugar imports; consequently, this year has been generally a bad one for sugarcane growers.

AIR ROUTES EXPANSION

The City of Shreveport has been seeking CAB approval for expanded airline service, particularly to the Northwest (Oklahoma City/Denver). A petition for reconsideration of a denial of this route is now pending before the CAB.

AMTRAK

Discussion has increased somewhat in recent months about the possibility of a new AMTRAK line through the area, linking Atlanta, Georgia, and Los Angeles, California.

JOHN CONNALLY

John Connally is highly regarded in the northern area of Louisiana as he is in Texas.

CRIME

The Moore poll cited earlier showed that rising crime was a concern, but only fourth or fifth on the list. The President's anti-crime measures might be a popular topic.

It should be recalled that the State penal system is currently under Federal Court order not to accept any more prisoners until the prisons are improved. As a result, the local jails are having to pick up the extra burden. This issue should be avoided.

DEFENSE

Shreveport is in a conservative, very patriotic area which advocates a strong national defense. The President should explain "why" we are number one in defense, not just that we "are".

There are a number of military bases around Shreveport. Barksdale AFB is a big SAC base for the 8th Air Force; Ft. Polk, south of Shreveport, is being converted into a permanent base with some 10 new housing units, after having served as an army training center for many years. Ft. Polk will now be the home of the 5th Infantry Division (Mechanized), one of three new divisions to be reactivated by the Army. The President's FY 1977 Budget contains approximately \$73 million to continue the modernization and expansion of this sprawling facility.

The Louisiana Army Ammunition Plant, located just east of Barksdale Air Force Base, the Lone Star Army Ammunition Plant at Texarkana, Texas, the Longhorn Army Ammunition Plant at Karnack, Texas, and the Red River Army Depot at Texarkana, Texas, have long played an important role in supplying our troops. Recently the three ammunition plants have experienced varying degrees of production cutbacks because of diminishing requirements in this field.

Participation in military reserve units of all branches is high.

There is, in addition to the above, a large retired AF community around Barksdale. No bases have been recently closed, nor are any such closings anticipated.

ECONOMY

The Moore poll mentioned earlier showed that the economy, in all of its aspects (employment, inflation, etc.) was the number one issue--drawing 30% of the responses.

In general, the economy in Louisiana is following the improving national averages closely. Unemployment and inflation are running very close to the national average, although unemployment has never been as serious in this area as in other parts of the country. Moore's office says there is a lot of underemployment.

Investment in industry is something they would like to encourage in northern Louisiana. The President's tax incentives are reasonably popular and might be mentioned.

EDUCATION

There has been a major shift from public to private schools over the last several years. Moore's office says that this is not because of integration but rather because of government interference. Concern still ranks high in the minds of most about Federal court interference in the educational field. Recent judicial action in the area of private schools is very unpopular. This is a subject best not discussed, as there are complex local problems.

ENERGY

There is a lot of interest in energy because Shreveport sits on the edge of the East Texas oil field. Oil and gas operators in the state, primarily the many small independent oil producers in the northern area, were very upset at the signing of the EPCA December, 1975. Views on energy are almost identical to those in Texas.

Natural gas is a major product; deregulation of natural gas is thus a hot topic and strongly favored.

Drilling for offshore oil is also an important and controversial issue. People in the state particularly resent the fact that the entire nation uses their oil, yet many areas won't allow drilling off their own (East Coast) shores.

Fully half of the Louisiana state budget revenues were, in the past, derived either directly or indirectly from oil. In the last 2-3 years, these revenues have started slipping. Thus many support a bill recently introduced by Congressman Treen which would share a portion of the (Federal) offshore revenues with the states.

EQUAL RIGHTS AMENDMENT

The northern part of the state, being conservative, is likely to be against the ERA. Louisiana has not passed the ERA.

FEDERAL GOVERNMENT

There is a general feeling that the federal government is too big, with too much spending. The public here agrees with the sentiment expressed in "...A government big enough to give you everything you want..." but Moore's office says they are probably a little tired of hearing that exact phrase.

Government interference through regulations is a subject of great interest, particularly EPA and OSHA. No specific actions were cited.

Fiscal responsibility is a good subject to talk about. The President should especially talk about his effort to reach a balanced budget by 1979; cut Federal spending and the growth of government; cut down government paperwork; etc.

The President might also want to talk about his tax proposals which tie spending cuts to tax cuts, as this is a popular subject.

FOOD STAMPS

No particular reason was cited, but apparently food stamps and the "welfare mess" would be good topics to talk about.

REIGN RELATIONS

The President's foreign policy is viewed favorably, although there are growing doubts about Secretary Kissinger.

Reagan is scoring some points on the Panama Canal issue, as in other conservative states. The President is suffering some credibility problems here because of apparently differing Administration versions about plans for the Canal. Moore's office believes a "hard" statement would be useful. The Congressman had a meeting with a group of supporters recently in which he addressed the subject by saying, "...we'll maintain and control the Canal as long as we need it, but its not going to be possible or reasonable to own, defend, or even widen the Canal forever."

It was his impression that this was viewed as a reasonably acceptable assessment of the Panama Canal negotiations.

HOUSING

The recent Supreme Court decision on public housing has generated some negative controversy and the President might be asked to comment.

NORTH-SOUTH HIGHWAY

Louisiana is one of only a few states in the United States without both an East-West and North-South Interstate Highway. Interstate 20 is 99% completed East and West across North Texas and North Louisiana. The lack of a North-South expressway has become a major issue in the State and, particularly, North Louisiana, in the last several years.

This is a very complicated and very controversial subject and should be avoided altogether.

Once it was known for sure that additional interstate mileage was no longer available to the State, the Louisiana Congressional Delegation sought to determine the best source of funding for a North-South route through Federal Highway Programs to supplement the State's resources. The Governor was advised by the Delegation that he had two options; (1) that he could use priority primary mileage and funds for a toll road under Section 126 of the Federal Aid Highway Act of 1973, subject to continued Congressional authorization of funds. These funds would be in addition to the State's regular Federal aid primary funds. (2) The Governor could substitute a large portion of Interstate 410 around New Orleans for a free North-South interstate route (the majority of I-410 was recently scrapped by mutual agreement between State and Federal officials).

The additional miles necessary for the full route are available in the Howard-Cramer Amendment reserve for this purpose and upon proper application could be approved by the Federal Highway Administration. The Federal Aid Highway Act cleared by the Congress on April 13 will benefit this project. The Governor has given the go-ahead for initial environmental and engineering study work but he has not made a decision between the two options.

POSTAL SERVICE

The quality of the Postal operation is increasingly becoming a topic of conversation and concern. Businessmen feel that poor service is now becoming an economic factor in their day-to-day operation. Average citizens express concern that true service is being lost.

RED RIVER NAVIGATION PROJECT

Congress authorized the construction of a series of locks and dams to make the Red River navigable from the Mississippi River to Daingerfield in East Texas. Considerable bank stabilization and channel work has been proceeding for a number of years and the President's 1977 Budget contains funds for initial excavation work on the first lock and dam. The project will add greatly to the commerce and industry of Louisiana and East Texas, as well as neighboring areas of Oklahoma and Arkansas.

TIMBER

umber is the primary natural resource in northern Louisiana. Because of the depressed housing market, the industry is also depressed. The Ford Administration's efforts to increase housing should be a positive topic.

DON WALTERS JUDGESHIP

Many Republicans in Louisiana are upset because of the way in which the Walters nomination has been handled. Don Walters, a popular U.S. attorney in Shreveport, has received the endorsement of all major Republicans in the State for the U.S. District Judgeship in Lafayette. The Department of Justice has cleared the nomination and the ABA gave him an "acceptable" or "qualified" rating. The nomination now seems to be "sitting" at the White House. Public sentiment is that Sen. Long vetoed the nomination because Walters, as U.S. Attorney, indicted a close aide to the former Governor McKithen of Louisiana, a good friend of the Senator.

Republicans believe that the real reason is that Walters almost obtained an indictment against McKithen, an indictment vetoed by the Justice Department.

Long gives as his reason that the Lafayette Bar Association opposed Walters but the Bar Association says only that it desired a local person. Local Republicans believe that Long should be forced to deal with this in Senate hearings and that President Ford should not unfairly bear the onus of the decision.

PRESIDENTIAL VISIT TO SHREVEPORT AND BOSSIER CITY,
LOUISIANA

April 27, 1976

BRIEFING NOTES PREPARED BY THE OFFICE OF REPRESENTATIVE
JOE D. WAGGONER, 4th DISTRICT, LOUISIANA

PRINCIPAL EVENT OF VISIT -- HOLIDAY IN DIXIE FESTIVAL

Holiday in Dixie is an annual spring festival conducted by the citizens of the Northwest corner of Louisiana, the Northeast corner of Texas, and the Southwest corner of Arkansas, commonly known as the ARK-LA-TEX.

ARK-LA-TEX - Shreveport and Bossier (pronounced Bō-zhər) City are commonly referred to as the capital of the ARK-LA-TEX, a trade area described above, having common interests. The 1970 U. S. Census showed that 43.4% of the area workers are employed in manufacturing, wholesale and retail trade jobs. The news media, transportation facilities, as well as commercial establishments in Shreveport and Bossier City, serve the wide regional area known as the ARK-LA-TEX.

THE TWIN CITIES - Shreveport (July 1, 1975 - 195,800), and Bossier City (July 1, 1975 - 52,800), (SMSA July 1, 1975 - 345,700) -- served in the early days of this century as an agricultural center until oil and gas began to dominate the economy during the period from the 1920's to the 1950's. Now the economy is greatly diversified in the fields of manufacturing and trade, as mentioned above. In recent years the following major companies have located new plants in the area: General Electric, Western Electric, Bingham-Willamette Company, General Motors, and Gould Battery.



MAJOR AREAS OF LOCAL AND REGIONAL CONCERN PARTICULARLY AS
THEY RELATE TO THE FEDERAL GOVERNMENT

Red River Navigation Project - Congress authorized the construction of a series of locks and dams to make the Red River navigable from the Mississippi River to Daingerfield in East Texas. Considerable bank stabilization and channel work has been proceeding for a number of years and the President's FY 1977 Budget contains funds for initial excavation work on the first lock and dam. The project will add greatly to the commerce and industry of Louisiana and East Texas, as well as neighboring areas of Oklahoma and Arkansas.

North-South Highway - Louisiana is one of only a few States in the United States without both an East-West and North-South Interstate Highway. Interstate 20 is 99% completed East and West across North Texas and North Louisiana. The lack of a North-South expressway has become a major issue in the State and, particularly, North Louisiana, in the last several years. Once it was known for sure that additional interstate mileage was no longer available to the State, the Louisiana Congressional Delegation sought to determine the best source of funding for a North-South route through Federal Highway Programs to supplement the State's resources. The Governor was advised by the Delegation that he had two options: (1) that he could use priority primary mileage and funds for a toll road under Section 126 of the Federal Aid Highway Act of 1973, subject to continued Congressional authorization of funds. These funds would be in addition to the State's regular Federal aid primary funds. (2) The Governor could substitute a large portion of Interstate 410 around New Orleans for a free North-South interstate route (the majority of I-410 was recently scrapped by mutual agreement between State and Federal officials). The additional miles necessary for the full route are available in the Howard-Cramer Amendment reserve for this purpose and upon proper application could be approved by the Federal Highway Administration. The Federal Aid Highway Act cleared by the Congress on 13 April will benefit this project. The Governor has given the go-ahead for initial environmental and engineering study work but he has not made a decision between the two options.

National Defense - The citizens of the area are very strong advocates of national defense and have considerable pride in the fact that they contribute greatly to our national defense program. The enormous Barksdale Air Force Base, adjacent to Bossier City, serves as the Headquarters for the Strategic Air Command's 8th Air Force -- Fort Polk on the southern fringes of the ARK-LA-TEX region has for years served as one of the major training bases for the Army and in May, completely reverts to a new and major role as the home of the 5th Infantry Division (Mechanized), one of three new divisions to be reactivated by the Army. The President's FY 1977 Budget contains approximately \$73 million to continue the modernization and expansion of this sprawling facility. The Louisiana Army Ammunition Plant, located just east of Barksdale Air Force Base, the Lone Star Army Ammunition Plant at Texarkana, Texas, the Longhorn Army Ammunition Plant at Karnack, Texas, and the Red River Army Depot at Texarkana, Texas, have long played an important role in supplying our troops. Recently the three ammunition plants have experienced varying degrees of production cutbacks because of diminishing requirements in this field.

Participation in military reserve units of all branches is excellent.

Others

AMTRAK - discussion has increased somewhat in recent months about the possibility of a new AMTRAK line through the area, linking Atlanta, Georgia, and Los Angeles, California.

Air routes expansion - the City of Shreveport has been seeking CAB approval for expanded airline service, particularly to the Northwest (Oklahoma City/Denver). A petition for reconsideration of a denial of this route is now pending before the CAB.

Agriculture - is still big in the area with cotton, cattle, and soybeans being the leading products. The industry has suffered greatly in the last few years because of adverse weather and disease infestation.

NATIONAL ISSUES AS SEEN BY AREA CITIZENS WHO ARE PREDOMINANTLY NON-PARTISAN AND CONSERVATIVE, NOT UNLIKE OUR NEIGHBORS IN MUCH OF TEXAS. THE 4th CONGRESSIONAL DISTRICT OF LOUISIANA HAS NOT GIVEN A MAJORITY VOTE TO A DEMOCRATIC PRESIDENTIAL CANDIDATE SINCE 1944.

Federal Government too big and expensive

- Food stamp, and welfare reform are widely discussed as greatly needed.
- Streamlining of Federal agencies needed. One of the most talked about problems in this regard is too much regulation by the Federal Government in the daily lives and business of private citizens.

Energy-- Need for a realistic energy policy -- independent oil and gas operators constitute a large segment of the business community in Shreveport -- views in Northwest Louisiana would be very similar to those in Texas.

National Defense - as indicated above in local issues, a strong national defense posture is imperative to majority of area citizens.

Economy - Inflation - the feeling is that great improvement has been made and progress must continue. Unemployment is not now, and has not been, as serious in the area as most areas in the country.

Quality of Education - While much of the control in this area is obviously with State and local entities, concern still ranks high in the minds of most about Federal court interference in the educational field. Recent judicial action in the area of private schools is most unpopular. This is a subject best not discussed, as there are complex local problems.

Postal Service - The quality of the Postal operation is increasingly becoming a topic of conversation and concern. Businessmen feel that poor service is now becoming an economic factor in their day-to-day operation. Average citizens express concern that true service is being lost.

Panama Canal - The majority in the area believe in the status quo of the Canal.

LOUISIANA PFC CAMPAIGN OVERVIEW

The Louisiana delegation will go to the GOP National Convention as an uncommitted delegation. Party and PFC leadership have given their assurances that there will be a minimum of 50% of the delegation for President Ford.

The reason for an uncommitted delegation is that it would be nearly impossible in the state of Louisiana to mount an effective campaign in each Congressional District for the President and to elect those committed delegates. In such a contest, we would, at the most, pick up 2-4 delegates in the 1st and 2nd Congressional Districts (New Orleans area).

The result of the May 1 primary in Texas will have a significant bearing on the Congressional District caucuses in Louisiana. The caucuses will be held between May 8-16. The state convention is scheduled for June 5.

- Q. There are four judicial vacancies in Louisiana - two in the Eastern District and two in the Western District. What is the status of nominations for these posts?
- A. I have already nominated Mr. Charles Schwartz and Mr. Morey Sear for the Eastern District posts and understand that candidates are being processed by the Justice Department for the other two posts. I am hopeful these evaluations will be completed soon.
- Q. There has been a great deal of publicity in Louisiana about the candidacy of Mr. Donald Walter, the U.S. Attorney who investigated former Governor John McKeithen. Apparently, Senator Long has indicated to the White House that he does not want Walter nominated because of this investigation. Where does this candidate stand?
- A. I believe he is among a group of candidates being processed by the Justice Department.
- Q. If in fact Senator Long is persuasive in preventing the nomination of Mr. Walter, don't you think it could serve as a deterrent to other U.S. Attorneys who in carrying out their investigative responsibilities find that they are removing themselves from possible future consideration for a judicial post?
- A. Obviously not. It is the responsibility of each member of our judicial system to act with integrity and in good faith as he or she carries out the responsibilities of that office.
- Q. Then Senator Long could not block this appointment?
- A. I have not talked with Senator Long and don't know the nature of his objection, if any. I would expect to nominate a qualified individual who has the recommendation of the Attorney General.

NOTE:

The Western District judgeships in Louisiana have been highly controversial with the Republican delegation at odds with the Democrat Senators. This is a visible issue in the State with no apparent solution in sight which is acceptable to all concerned.

SHARING OCS REVENUES

Question

Why do you oppose sharing revenues from the production of Outer Continental Shelf (OSC) oil and gas with the States that are affected?

Answer

I have proposed legislation authorizing Federal assistance to States and communities impacted by the development of Federal energy resources. That legislation would establish a \$1 billion fund to provide planning grants, loans, and loan guarantees for public facilities in heavily impacted areas.

There are substantial differences between the proposal I made and the bills that have passed the House and Senate. Secretary Richardson is working closely with the conferees to come up with an acceptable compromise.

Follow-on Question

Isn't it true that, under your proposal, Louisiana would get little, if any, assistance while Alaska would get large amounts?

Answer

In the Administration's bill, we proposed a formula that would provide assistance in those areas that were impacted at the time that it is needed -- without regard to the State in which the impacts occur.

Background

The Senate (S. 521) and House (H.R. 6218) bills would provide substantial funds to States such as Louisiana which will not have a substantial impact as a result of future energy development.

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.

"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 outnumbered 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 12, 1975

DALLAS BUSING FOR 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. He then 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 to finance the purchasing of buses and other costs of the desegregation program.

Mexican-Americans were most pleased with the desegregation plan; 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, many observers feel it is probably the best plan Taylor could have come up with. It is not expected that either side will appeal.

DALLAS BUSING - Additional Background

On April 7, 1976, the District Court entered an order approving a desegregation plan which was proposed by an organization called "The Dallas Alliance." The Alliance is a tri-ethnic responsible group of community and business leaders.

There are 140,000 students in the system. The plan divides Dallas into six subdistricts, one of which is 95 per cent black, one heavily white and one naturally integrated, where there will be no significant busing, and three other subdistricts where there will be busing.

There will be no busing for children in grades kindergarten through 3; 17,000 children in grades 4 through 8 will be bused; and a magnet-school approach will be used for grades 9 through 12.

The plan also requires increased hiring of Black and Chicano administrators and teachers and sets percentage goals for the hiring.

Under the plan, the predominantly black subdistrict, Oak Hill, is to have concentrated educational programs. The plan also calls for increasing bilingual and early childhood education programs.

We understand that neither the original plaintiff nor the school board plans to appeal but that the NAACP, intervener in the case, intends to appeal.

The Federal government is not in the case, but the Community Relations Service has had one staff member in Dallas working with the community. He did not work on the plan itself.

TEXAS GUIDANCE FROM SENATOR JOHN TOWER

AMARILLO

13th Congressional District

Races:

Republican -- Bob Price (four term congressman
defeated in '74)

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

ISSUES:

1. GRAIN EMBARGO

Wheat farmers in the area were upset when George Meany stopped the shipments and you appeared to compromise with him

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

- a. You could have taken no affirmative action and let picket lines take over. . . that would have hurt market even more
- b. You 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, helped maintain stability of grain prices

2. NATIONAL DEFENSE

Area residents tend to strongly favor a strong defense recalling your action on 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. You should stress support for deregulation of natural gas

4. ECONOMICS

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

Inflation is a concern and you should stress your 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)

Gay Seminar -- concern over federal funding to a seminar relative to problems faced by homosexuals in SA

ISSUES: (cont.)

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 four times since 1972 (Coastal States didn't live up to a 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 -- San Antonio gets its water from the Aquifer (underground), but they are planning not 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 seven percent

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

U.S. - MEXICO -- San Antonio wants Trade Fair (like NYS); several other cities -- Dallas, Tuscon, Yuma are also seeking and the Office of Minority Business Enterprise is conducting a study.

Strong support in San Antonio for U.S. cooperation in Mexico's heroin war

Postal Closing -- Communities are concerned over losing small, local post offices.

4/26/76

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.

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

NEW GRANT TO SAN ANTONIO GAY STUDY

The National Endowment for the Humanities has precipitated a furor in San Antonio by indirectly funding a study of homosexuals in that city.

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, ethnical, 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 the 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 abberant.

The National Endowment is naturally concerned about the publicity and have commenced an investigation. There is some indication that Forward Foundation may have provided misinformation to AIF upon which the grant was made. NEH is also greatly concerned about the propriety of the grant.

4/26/76

OBJECTIONS BY DEPARTMENT OF JUSTICE
TO ANNEXATIONS BY SAN ANTONIO, TEXAS

Background. Since initially objecting to some 13 annexations by San Antonio, Assistant Attorney General Pottinger has met with members of the Texas Congressional delegation, as well as local officials. A majority of the City Council has voted in favor of changing from the current at large elections for the Council to elections from single member districts. This is in accordance with a 1972 court decision which invalidated San Antonio's at large election of delegates for the state legislature. Although, if implemented, this change would be acceptable to the Department of Justice, Justice is not a party in a suit brought against the city by private litigants on the same issue. Justice is privately trying to arrange for a consent decree by the parties and is hopeful that the issue can be resolved shortly. A possibility remains that they may later intervene in the case if the parties cannot agree. This controversy is limited to city elections, and thus does not effect either the Primary or General elections being held this year.

Q: Will you comment on the objections raised by the Department of Justice to some 13 annexations by the City of San Antonio?

A: I understand that officials of the Department of Justice are continuing to meet with local officials on this matter. There is also a suit against the city in which the Department is not a party, although the issues raised therein are substantially the same as those raised by the Department. I am advised that discussions have taken place with all concerned parties which may lead to the prompt resolution of this problem. I remain optimistic, and I trust you will understand why it would be inappropriate to make more detailed comments at this stage.

PWB/BNR
4/27/76

GRAIN INSPECTION

- Q. What are you doing about cleaning up the grain inspection mess?
- A. One thing is certain. It is absolutely essential that we maintain the confidence of our export grain customers-- those who buy such a large percentage of America's farm production. On the other hand, we must not do this by turning all of the responsibility of industry and state government over to the Federal establishment. This is exactly what the Humphrey-Clark bill does. And if the bill comes down to the Oval Office in that form, I will veto it.

The House is considering a better approach and a more limited Federal role. If it is finally passed and is sent to me, I will take a good look at it.

In the meantime, the government has quickly moved to clean up the situation.

Grand juries in New Orleans, Houston and Baton Rouge have already returned a total of 77 indictments, charging 57 individuals and 6 companies with criminal wrongdoing.

Last September we recommended legislation to strengthen the present inspection system. In mid-February Secretary Butz proposed changes in the regulations plus an affirmative action plan calling for extensive internal audit procedures by the grain exporters. Recently also, more than 200 new Federal employees completed a special 5-week grain inspection course. This new force will supervise the work of the private and state grain inspectors.

BACKGROUND

The Department of Agriculture presently licenses State and private organizations to inspect grain for a fee paid by the buyer. The Department does not have authority under present law to make initial first inspections, only appeal inspections.

4/26/76
SGM

SURVEY RESEARCH

Market Opinion Research conducted an indepth survey of Texas for the President Ford Committee in early April of this year. Major excerpts are provided below.

I. Issues

Economic problems clearly are the chief concerns of Texans. The economy, in general and inflation in particular, lead the list of the most important problems facing the country. Of particular note, however, is the importance of foreign affairs which holds a third place ranking that is far above its position in any other primary state surveyed to date.

Major results of the questions asked are indicated below.

"What do you think are the most important problems facing the nation at this time?"

	<u>TOTAL</u>
Cost of living/Inflation/High prices	19%
Economy (unspec.)	26
Unemployment/Lack of jobs	10
Energy crisis/Fuel crisis	6
Crime problems	5
Lack of leadership/Lack confidence in leaders	5
Foreign policies/Affairs/Aid	14
Government spending/Wasting money	6

The voters' greater concern with economic problems also appear in the importance they assign to economic policies in making their decision to vote for President. By a 64% to 13% margin, the Texas primary voters said the candidates' abilities to deal with economic policies would be more important to them than their abilities to deal with foreign policies.

"In deciding how to vote for President this year, will the candidates' ability to deal with economic policies or their ability to deal with foreign policies be most important to you?"

	<u>TOTAL</u>
Economic policies	64%
Foreign policies	13
Both equal	15
Don't know	8
	<u>100%</u>

However, there exists a foreign policy/national defense issue constituency of significant size in Texas which is somewhat understated by the previous result. When asked what would be the issues upon which they would particularly listen to the statements of President Ford and Ronald Reagan and upon which they would base their vote, the second and third most frequently volunteered replies were "foreign policy" (9%) and "national defense/military power" (8%).

II. Presidential Job Approval

An overwhelming 77% to 17% majority of potential GOP primary voters approve of the way President Ford has been handling his job. It should be remembered, however, that the job approval rating has been of no consequence in the outcome of earlier primaries.

"Do you approve or disapprove of the way Gerald Ford is handling his job as President?"

	<u>TOTAL</u>
Approve	77%
Disapprove	17
Don't know	6
	<u>100%</u>

III. Ideological Standing

In comparison to the President; Ronald Reagan is clearly seen as the more "conservative" candidate as indicated below.

"Would you describe President Ford/Ronald Reagan as a liberal, conservative or a moderate?"

	<u>Liberal</u>	<u>Conservative</u>	<u>Moderate</u>	<u>Don't Know</u>
Ford	6%	20%	58%	16%
Reagan	13	48	20	19

FUTURE OF THE JOHNSON SPACE CENTER (HOUSTON)

Question

What will the Houston space team be doing a few years from now after the Space Shuttle is flying? What will their next big project be?

Answer

The Johnson Space Center will continue to play a major role in the space program, particularly through its role in the program management for the Space Shuttle.

Our future in space, and that of the Johnson Space Center, will depend on a number of factors including how quickly American industry responds to the new opportunities that will be provided by the Space Shuttle in the way of easier access to space.

My hope is that our major investments in space will provide the basis for important new applications of space technologies.

Fact Sheet on Johnson Space Center attached.

GRS
4/26/76

FACT SHEET
 NASA'S JOHNSON SPACE CENTER (JSC)
 HOUSTON, TEXAS

What It Is: NASA's manned spaceflight research and development facility, located 20 miles southeast of Houston on 1,620 acres. Established in 1961, JSC represents a capital value of \$900 million in research, development, test, and administrative facilities.

What It Does: JSC is responsible for program management of the Nation's manned spacecraft programs: Mercury, Gemini, Apollo, Skylab, Appollo-Soyuz Test Project, and now the Space Shuttle. JSC is also the Mission Control Center for all U.S. manned space missions. Future projects could include space stations in low or geosynchronous orbits, the next phase of manned extraterrestrial exploration, and the development of space industrialization.

In addition, JSC is the lead NASA center in developing remote sensing from space for the exploration and better management of the earth's natural resources -- crops, timber, water, minerals. JSC is currently engaged in a major joint experiment with the Departments of Agriculture and Commerce to improve forecasts of worldwide agricultural production through use of space-acquired information.

STATISTICS:

	<u>PAST</u>	<u>PRESENT</u>	<u>1978</u>	<u>1979</u>
Local Employment:				
Civil Service	4,700 (1967)	3,600	3,600	3,600
On-site contractors	7,600 (1969)	5,300	5,200	5,100
Annual Funding: (In Millions)				
Total Budget	\$1,600 (1966)	\$1,100	\$1,100	\$1,100
Spent Locally	\$ 200 (1966)	\$ 260	\$ 260	\$ 260

NASA FUNDING

Question

Why were other R&D agencies well treated in your FY 1977 budget but NASA did not even receive enough of an increase to make up for inflation? Does this reflect your disinterest in space or a plan to close down the agency?

Answer

There is never enough money available to do all the things we would like and this is true in the case of NASA as well as other agencies. The budget I submitted to Congress provides for a 5 percent increase in funding and this will permit us to maintain a balanced space program and to hold the space shuttle development on schedule. I strongly support this nation's research and development programs and foresee a very important role for our space programs in the future. We certainly are not considering eliminating NASA or closing the space center.

Following on Question

Are the Russians getting ahead of us in space?

Answer

We know from our successful joint mission with the Russians last year that they are prepared to work with us when it is in the interest of both nations. We also know that the Soviets are, by no means, slowing down their space programs, but, instead, working hard to overtake our lead.

American has a considerable lead in the ability to use space effectively for the benefit of all and I believe we will be able to retain that lead.

GRS
4/26/76

OIL COMPANY DIVESTITURE

Q. There seems to be more and more talk in Congress about breaking up the major oil companies. [A bill was reported out by Bayh Subcommittee on April 1, 1976.] You have said elsewhere, I believe, that you oppose the divestiture proposal. Why? And will you veto a divestiture bill if it is proposed?

A. I am very concerned about the thrust of the divestiture bill recently approved by Senator Bayh's Subcommittee.

It assumes that, by breaking up a major segment of the oil industry, we can lower prices and increase secure supplies.

I have not seen any evidence to indicate that these results would occur.

If it could be positively shown that divestiture would improve the delivery of secure volumes of oil at lower prices to the American people, I would favor it.

The advocates of the bill reported by the subcommittee have not made that case. There is a good chance that the bill would retard rather than expand domestic production and actually increase our dependence on high priced foreign oil and our vulnerability to disruption from an embargo.

Until it can be demonstrated that divestiture legislation would improve rather than worsen our energy situation, I must oppose such proposals.

Drafted by Zarb/Greenspan
4/6/76

CONSUMER PRICE IMPACT OF NATURAL
GAS DEREGULATION

- Q. Your Administration has fought to decontrol interstate natural gas prices. As competition for natural gas has increased intrastate, however, the price has been increased and the additional cost is being passed directly on to the consumer.

How, specifically, in dollars and cents, will deregulation help the consumer when he gets his bill each month?

- A. It is the case that deregulation of natural gas prices would, over time, result in price increases for consumers. However, three points must be recognized:
- . Unless there are higher prices, there will not be sufficient incentive for exploration and production and natural gas production will continue to decline.
 - . The increase in prices to consumers would occur quite slowly, particularly because the bulk of gas that will be delivered over the next several years is covered by existing, relatively low-priced contracts. Prices would go up gradually as new natural gas becomes available.
 - . Consumers would have to bear much higher costs if natural gas is not available and they are forced to switch to alternative fuels which are more expensive.

FEA has estimated that by 1985, the average annual natural gas bill for residential customers would increase by about \$90 --from about \$215 to \$305. Costs would be much greater if a switch to other fuels were necessary.

Even if the limited supply of natural gas available under existing controls were reserved for residential heating, consumers would face price increases. In this case, industrial consumers' supplies would be curtailed, forcing switches to other fuels. Prices of cars, clothing and products from other industries heavily dependent upon natural gas would go up. Both the cost of alternative fuel and of plant modifications would have to be passed on to consumers.

GRS
4/6/76

GROWTH IN THE SIZE AND ROLE OF FEA

Question

How can you claim to be for reducing Government regulations and the size of the Federal bureaucracy when you are letting the new Federal Energy Administration (FEA) muchroom in size?

Answer

Questions about the size and role of the Federal Government and its numerous agencies are a welcome sign. I hope the people that are paying the bills will continue to ask these questions.

The FEA was created in direct response to the Nation's demands for answers to our serious energy problems -- a problem that few recognized until the 1973 Arab Oil embargo.

The FEA has done a good job. The real test will be how well we control the growth of FEA and reduce the regulatory role in the months ahead.

The growth of FEA is dependent upon two key factors:

- . First, the allocation and price controls which were forced upon us by the 1973 Arab Oil Embargo.
- . Second, demands for the Federal Government to start new programs to promote energy conservation and encourage domestic energy production.

In the case of regulatory programs, we have learned once again that it's easier to start them than it is to end them. Despite my attempts to end controls that were started during the embargo, the Congress has insisted that we keep crude oil price controls for another 40 months and that we remove other controls very gradually. Last December, I promised to remove controls as fast as possible and we will do so. FEA is moving ahead aggressively on this job.

In other areas, FEA has been designated to carry out a number of entirely new programs which are designed to reduce the Nation's dependency on imported oil. These include the strategic petroleum storage program, coal conversion program, appliance energy labelling program and others required by the recent Energy Policy and Conservation Act.

In these areas, we will hold FEA employment to the levels that are necessary to carry out the new assignments.

GRS
3/11/76

WHY DID YOU SIGN THE ENERGY POLICY AND
CONSERVATION ACT?

- Q. Governor Reagan has made clear that he thinks the energy bill you signed last December 22nd is bad for the country and will contribute to increased dependence on foreign oil. Why did you sign the bill when it runs counter to your previous position and is damaging to our domestic oil production?
- A. When I signed the Energy Policy and Conservation Act last December, I stated that the bill was by no means perfect. I also stated that I signed it because:
- . It did provide some of the authorities we needed, e.g., to set up a strategic petroleum storage program.
 - . The oil pricing provisions did permit phasing out crude oil price controls over time (40 months).
 - . It was the best bill we could get from the Congress.

I also stated that I intend to utilize fully the authorities granted to me to implement the pricing provisions in a way that would increase prices and stimulate added production and to get the Government out of the price control business at the earliest possible time.

The bill provided a step in the right direction, but not as far as I would have liked. We have a long way to go.

GRS
4/6/76

SOLAR ENERGY RESEARCH INSTITUTE (SERI)

Q. We would like to have the new Solar Energy Research Institute located in Texas. What are our chances?

A. ERDA, the Federal agency responsible for the bulk of our solar energy research and development program, recently completed its studies and decided on the type of solar energy research institute that is needed.

On March 15th, ERDA issued a request for proposals for a manager-operator and an initial facility for the proposed institute. Any responsible organization is qualified to respond to the request.

Proposals are due to ERDA by July 15, 1976. I understand ERDA expects to get a large number of proposals -- all of which will be evaluated by ERDA and a selection made sometime in December.

I would urge you to get your proposals in to ERDA so that you can be in the competition.

GRS
4/3/76

REGIONAL Q & A'S

BILINGUAL EDUCATION

- Q. In recent days there have been stories published that the Federal government has quietly affirmed that it is not mandatory for school districts to provide bilingual education to children whose primary language is other than English. Is this true, and has the position changed?
- A. It has never been the position of HEW that school districts must provide bilingual education to children whose primary language is other than English. What HEW attempts to insure is that school districts are adequately meeting the educational needs of all students, including those whose primary language is not English. This may be done in any number of ways, only one of which is by providing bilingual instruction.

This is what the memorandum referred to in these stories tried to clarify.

RDP/4-23-76

HEALTH SYSTEMS AGENCIES (HSAs)

- Q: There has been rather spirited competition in Texas among numerous groups and organizations for designation as the Health Systems Agencies in their respective areas. Governor Briscoe, meanwhile, has certain ideas and recommendations regarding these designations. Would you comment?
- A: First, the intent of the National Health Planning and Resource Development Act of 1974 is to improve the general quality and quantity of health care to more Americans.... to more equitably distribute the health resources and facilities through the country. Under the Act, the first step was designation of Health Service Areas across the country....some 200 of them. Next step is the designation of Health Systems Agencies to do the planning for effective health delivery systems in each area.

Here in Texas, I understand that Governor Briscoe recommended that no HSA applications be approved in the first round of reviews which ended March 31....but that the best interests of citizens of Texas would be served by waiting until the second round of reviews which would result in no designations until about June....thereby giving all applicants time to refine and strengthen their applications.

No Texas applicants were approved in HEW's April 10 announcements. Most of the designations on Texas will come either in June or in August.

Background

Considerable interest was stirred over Governor Briscoe's recommendation not to approve any applications during the first round review, but to await the second or third rounds. Many applicants felt, particularly in North Central Texas (Dallas-Ft. Worth area) that the Governor's position was to allow time for development of an application which he personally favored.

SCM
4/23/76

LYNDON B. JOHNSON NATIONAL HISTORIC SITE

Q: How near completed is the Lyndon B. Johnson National Historic Site?

A: This park is virtually complete now. President Johnson felt there were some additional lands in private ownership, that should be made part of the Historic Site. We have discussed this with Mrs. Johnson at considerable length. At the Johnson Settlement outside Johnson City we need better Visitor Center facilities and we have plans to construct them when funds become available.

NUECES RIVER PROJECT

Q: When will the Nueces River Project get under way?

A: Preconstruction activities for this project -- consisting of the Choke Canyon Dam and Reservoir -- are already under way. A contract between the city of Corpus Christi and the United States providing for the city to advance funds to initiate preconstruction activities was signed December 30, 1975. A repayment contract between the city, the Nueces River Authority and the United States is being processed. Construction activities probably will start this year.

MISSISSIPPI RIVER WATER FOR TEXAS

Q: What is your position regarding the plan to move water from the Mississippi River to the high plains area of Texas?

A: A joint study by the Bureau of Reclamation of the Department of the Interior and the Army Corps of Engineers found that this proposal was not feasible.

PADRE ISLAND NATIONAL SEASHORE

Q: Many thousands of people who would like to visit Padre Island National Seashore have trouble getting there because there is only one bridge from the mainland, at Corpus Christi. People approaching from the south have to drive 400 miles round trip to get there. Is your Administration addressing their problem?

A: We are planning to provide ferry service across Mansfield Channel to make the National Seashore more accessible from the south. To do it we need to acquire about 275 acres on the south side of the channel, and we have legislation before Congress to permit an exchange of lands so we can acquire those 275 acres.

PALMETTO BEND PROJECT

Q: What is the status of the Palmetto Bend Project?

A: Palmetto Bend is now about 40 percent complete. It began in 1972. All major relocation contracts (railroad and highway) have been awarded and essentially completed except for State and county secondary roads.

A \$25-million contract for construction of the 7.9-mile Palmetto Bend Dam on the Navidad River near Edna, Texas, was awarded in January 1976. The reservoir created by the dam will cover about 11,000 acres and will extend about 18 miles with 125 miles of shoreline. When completed in about five years, the project will provide 75,000 acre-feet of water to the Lavaca-Navidad River Authority, which will construct distribution works to deliver the water.

An environmental suit against the project was filed in U. S. District Court in March 1973. In October 1975, the court ruled in favor of the project and held the environmental statement adequate. An appeal was filed in November 1975, but subsequently withdrawn by plaintiffs.

SAN ANGELO WATER SUPPLY CORPORATION
AMENDATORY REPAYMENT CONTRACT

Q: What does the contract the Department approved April 12, 1976, with the San Angelo Water Supply Corporation cover?

A: It covers the corporation's increased repayment obligation. Because of increased construction costs, the corporation's obligation was increased by \$766,000 -- from \$9,742,000 to \$10,508,000. The contract also permits grouting work at the dam and further analysis of corrective actions that may be necessary to conserve the storage capability of Twin Buttes Dam and Reservoir.

FEDERALLY INSURED STUDENT LOAN PROGRAM -- Texas

- Q. Mr. President, The Federally Insured Student Loan Program in Texas has experienced many problems lately. Have corrective measures been initiated?
- A. There have been massive problems with this program, nationally, as well as, in Texas. Fraud, abuse and negligence by institutions of education, students, and perhaps employees of the Federal Government have contributed to the problem. New Regulations have been issued to strengthen implementation and enforcement of the law. The Administration has also recently proposed new legislation to govern eligibility and accreditation of institutions wishing to participate in Federal programs.

Background

Several proprietary schools in Dallas, Houston and San Antonio have closed abruptly or gone bankrupt. Many students did not receive refunds for unused portions of prepaid tuition. Some of these same students are reluctant to begin repayment of their loans because they feel they have been cheated. Lenders, as well as, HEW employees have been identified as involved in related questionable practices. Indictments have been handed down in some cases.

WMD/4/23/76

VETERANS HOSPITAL - Houston

Q. Can we expect, Mr. President, any changes or improvements at the V. A. Hospital in Houston?

A. Yes, Two.

- A \$6.5 million Research and Education Facility will be constructed as soon as possible.
- A 60 bed Spinal Cord Injury Unit and Outpatient Facility costing \$8.3 million is being planned.

WMD/4/23/76

OCEAN DUMPING OF SEWAGE

QUESTION:

Region VI of the Environmental Protection Agency (EPA) recently made public announcement of a proposed denial of an ocean dumping permit for sewage sludge from the City of Houston. Why would EPA deny a permit to Houston and allow the cities of New York, Philadelphia and others to dump sewage sludge in the ocean?

ANSWER:

Such decisions are within the Regional Administrator's authority, based on his knowledge of the facts and how those facts meet the regulations. In this case, the city of Houston has other alternatives available to it until 1980, and has a permanent solution after 1980, and the City had never used ocean disposal before. The cities of the Northeast have been ocean dumping for decades and have no immediate alternative (Philadelphia, however, has been ordered to stop the practice by 1981). In terms of the regulations, if the city has an alternative, it simply does not need an ocean dumping permit.

HYDROCARBON EMISSION CONTROLS

QUESTION

The Environmental Protection Agency has proposed that Transportation Control Plans be adopted for several Texas cities and that controls on hydrocarbon emissions from service stations and during ship and barge loading be developed. Why is it necessary to control these sources of hydrocarbon emissions?

ANSWER

Hydrocarbons contribute substantially to the formation of photochemical oxidants (smog) and have been identified by EPA and a number of other investigators as causing adverse health effects on the general public, especially the young, the old, and those with respiratory problems such as emphysema. Air quality levels in a number of Texas cities have exceeded the safe level repeatedly by as much as 500 percent. Levels exceeding the standard by as much as 100 to 200 percent have occurred frequently in major metropolitan areas in Texas, including the Dallas/Fort Worth and Houston/Galveston areas.

A primary control of hydrocarbon emissions is through the required controls now installed on new autos. These controls alone, however, will not be sufficient to eliminate the health related oxidant problem. Therefore, as required by the Clean Air Act, EPA has been working with State and local officials and private organizations to develop workable and acceptable programs for control of hydrocarbon vapor emissions from autos, service stations, and ship and barge loading operations.

UNDERGROUND INJECTION REGULATIONS

QUESTION:

Why is EPA writing underground injection regulations that could adversely affect the need for increased production of Oil and Gas, especially from "stripper wells."

ANSWER:

EPA is required by the Safe Drinking Water Act to develop regulations affecting underground injection. The agency has been working closely with the Interstate Oil Compact Commission during this process.

The IOCC, which is very concerned about this issue, has met with EPA on numerous occasions to exchange views so that workable, sensible regulations can be developed. The next draft of these regulations should be published about June 1, 1976. I understand that basic agreement on the language has been reached and that Oil and Gas production will not be affected in any significant way.

TEXAS EXPORTS OF FARM COMMODITIES

- Q. Are Texas farmers and ranchers doing well in export markets?
- A. Yes, they are doing exceptionally well. Last year (fiscal) agricultural exports from Texas reached a new alltime high of \$1.3 billion. This includes \$370 million in feed grains, \$240 million in cotton, with Texas ranking number one among the states in cotton exports, \$239 million in rice, \$23 million in fruit, \$53 million in lard and tallow and \$23 million in meat and meat products, excluding poultry.

DELAY IN PROSECUTIONS

Q: Is it true that prosecution of some persons indicted for bribery in connection with grain inspection in Houston is being delayed?

A. No. All prosecutions are proceeding on schedule except for one. This one is being delayed because of the illness of the chief witness. Five employees of a Houston Company have been indicted in connection with the grain inspection investigation. Their trial, I'm told, will go forward as soon as the testimony of the primary witness is received.

Depositions from the witness have been taken. And more such depositions are expected soon.

In the interim, the U.S. Department of Agriculture has suspended the grain inspection license of each of the five involved persons.

April 23, 1976 (new)

RICE SURPLUS AND PRICES

- Q. There is a surplus of rice in the East Gulf Coast area of Texas. Do you have any plans for new ways to use this surplus in "Food For Peace", School Lunch or other types of programs?
- A. Just in the last two weeks the demand for milled rice has moved sharply upward. So has the price. The last quotation I saw for milled rice was \$9.00 per cwt. at Houston. 1976 crop rice acreage is now estimated to be 16 percent below that of last year. World demand for American rice is increasing. 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 crop is harvested in late summer. Now it appears that such exports will exceed that figure. The Secretary of Agriculture is currently on a sales trip to the Far East and other areas. And I understand that he will have some good news to report to us when he gets back.

BACKGROUND

Farmers are now operating under a new rice program. This program is similar to the wheat and feed grain programs. It permits growers to decide how much rice they want to grow instead of the government making that decision.

Rice Agreements Signed Since January 1, 1976 (quantities in metric tons, milled basis)

<u>Country</u>	<u>Date</u>	<u>Tonnage</u>
Korea	February 18	52,000
Bangladesh	February 23	50,000
Portugal	March 18	50,000
Zaire	March 25	27,000
Bangladesh	March 30	50,000
Korea	April 9	52,000
Indonesia	April 19	100,000
Syria	April 21	50,000
Guinea	April 21	10,000

4/23/76 (update)

GRAIN INSPECTION

Q. What are you doing about cleaning up the grain inspection mess?

A. One thing is certain. It is absolutely essential that we maintain the confidence of our export grain customers -- those who buy such a large percentage of America's farm production. On the other hand we must not do this by turning more of the responsibility of industry and state government over to the Federal establishment. That's exactly what the Humphrey-Clark bill does. It Federalizes the U.S. grain inspection service. And if the bill comes down to the Oval Office in that form I will veto it.

The House is considering a better approach. If it is finally passed and is sent to me I'll take a good look at it.

In the meantime the government has quickly moved to clean up the situation.

Grand juries in New Orleans, Houston and Baton Rouge have already returned a total of 77 indictments, charging 57 individuals and six companies with criminal wrongdoing.

Last September we recommended legislation to strengthen the present inspection system. In mid-February Secretary Butz proposed changes in the regulations plus an affirmative action plan calling for extensive internal audit procedures by the grain exporters. Recently also, more than 200 new Federal employees completed a special five week grain inspection course. This new force will supervise the work of the private and state grain inspectors.

BACKGROUND

The Department of Agriculture presently licenses State and private organizations to inspect grain for a fee paid by the buyer. The Department does not have authority under present law to make initial first inspections, only appeal inspections.

4/23/76 (update)