

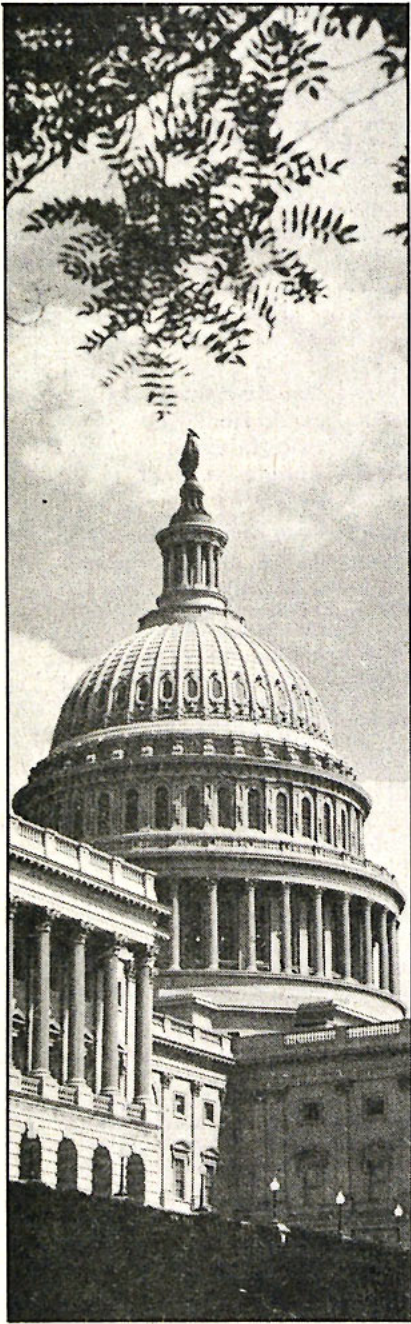
THE TEXAS OBSERVER

A Journal of Free Voices

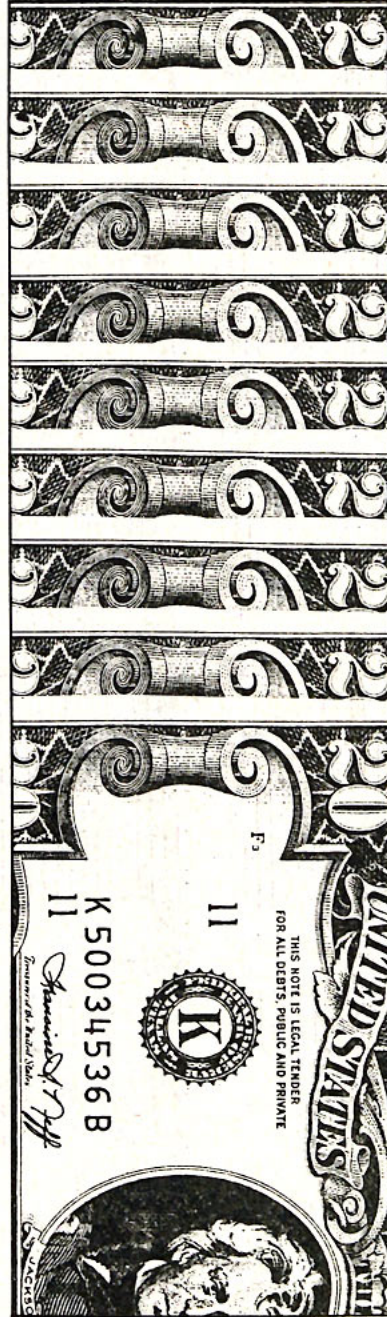
December 1, 1978

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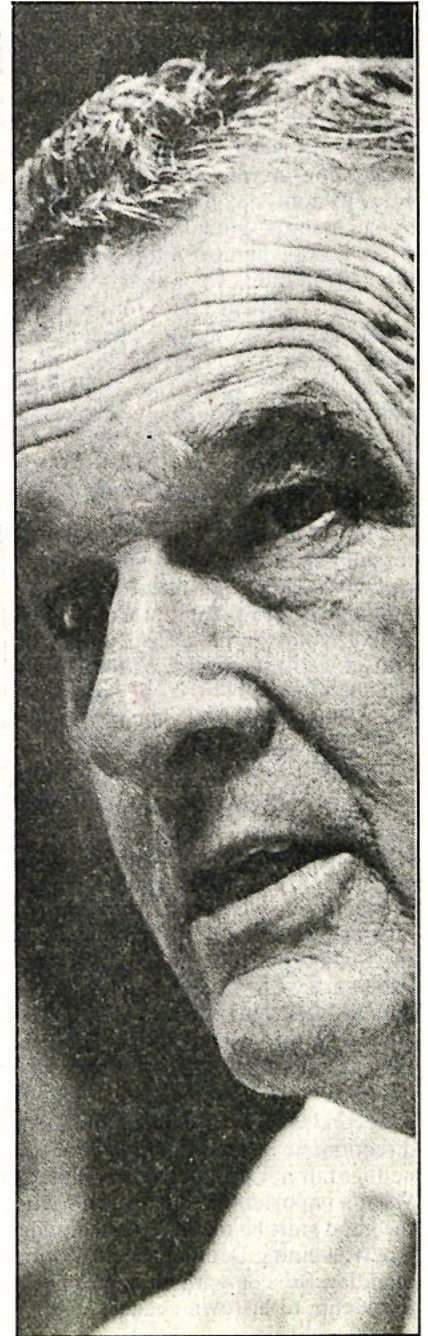
Reading the
November
election
returns



The 1978
Congress:
Messing with
your money



Business
PACs: They
gave and gave
at the office



What now?

Austin

This was not quite the way everyone had it figured: Bill Clements is busy arranging inaugural parties while our man, John Hill, is shopping around Austin for suitable space to house his new law office.

The Capitol City, as you would expect, is a-buzz with speculation about the new governor's plans; pundits here are trying to assess what it will mean to have an incumbent in the mansion who is Republican in name, as well as in fact. To me, however, the main question is not what the Republicans will do during the next four years, but what Democrats will do.

For the past few elections, there have been clear signs of fundamental shifts in the body politic—Republicans gaining steadily on Democrats in statewide and local races, a political awakening among Mexican-Americans, a precipitous fall in voter turnout, etc. This year's election is the first to be decided by such shifts, with John Hill, for example, being first a beneficiary and then a victim of the changing Texas electorate. What it amounts to is that the Democratic Party, which has been on a rightward path for more than 40 years, can no longer wander aimlessly down it, assured of November victories. Indeed, the party has finally come to a fork in the road, and in deciding which way to go, all Democrats must now consider precisely to whom they are speaking, and what it is they have to say to them.

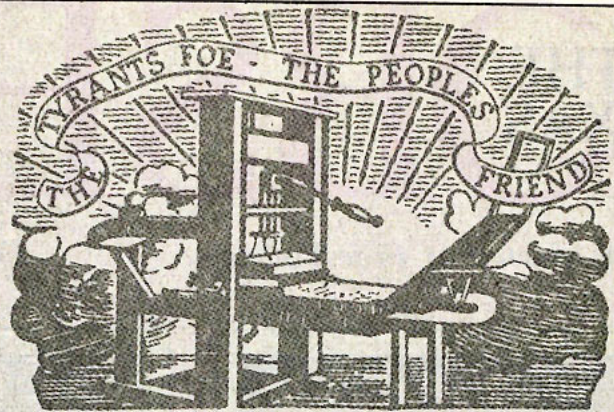
The Democrats come a cropper

First of all, give Clements credit: he ran an aggressive, professional political campaign, and while he did his share of lying, he kept it within the accepted boundaries of Texas politics. And although he spent an unprecedented \$6-plus for each of the 1.18 million votes he pulled (49.9 percent of the total cast), Democrats deceive themselves if they think that there is nothing more to it than his unlimited checking account, significant as that is. Bear in mind that Hill's own expenditure approached \$4 million, and there was more where that came from had he thought it necessary to make additional withdrawals.

It is also a misconception to think that the Republican's win was strictly the result of slick advertising. In fact, the most effective expenditures he made were on such tools as day-to-day polling, direct mail and phone banks, all of which were used to identify his voters and turn them out. Most important, Clements proved to be a blunt, compelling spokesman of the Texas right wing (both Republican and Democratic chapters), and he excited those folks enough to draw them out in force on election day. As the candidate told Carolyn Barta of the *Dallas Morning News*, "I said what I believed. When I got through talking, [voters] didn't have to punch their neighbors and ask, 'What did he say?'"

Second, Hill was moving the Democratic Party in the right direction; he just didn't move it far enough, fast enough, and it is neither fair nor productive to point accusing fingers at him now. What's important is to learn from his campaign and improve on the good start he made. Hill had pulled together the elements of a new, winning Democratic coalition, but after knocking off the plodding Briscoe with an aggressive, hard-hitting campaign, he fell victim to his own success.

(Continued on page 16)



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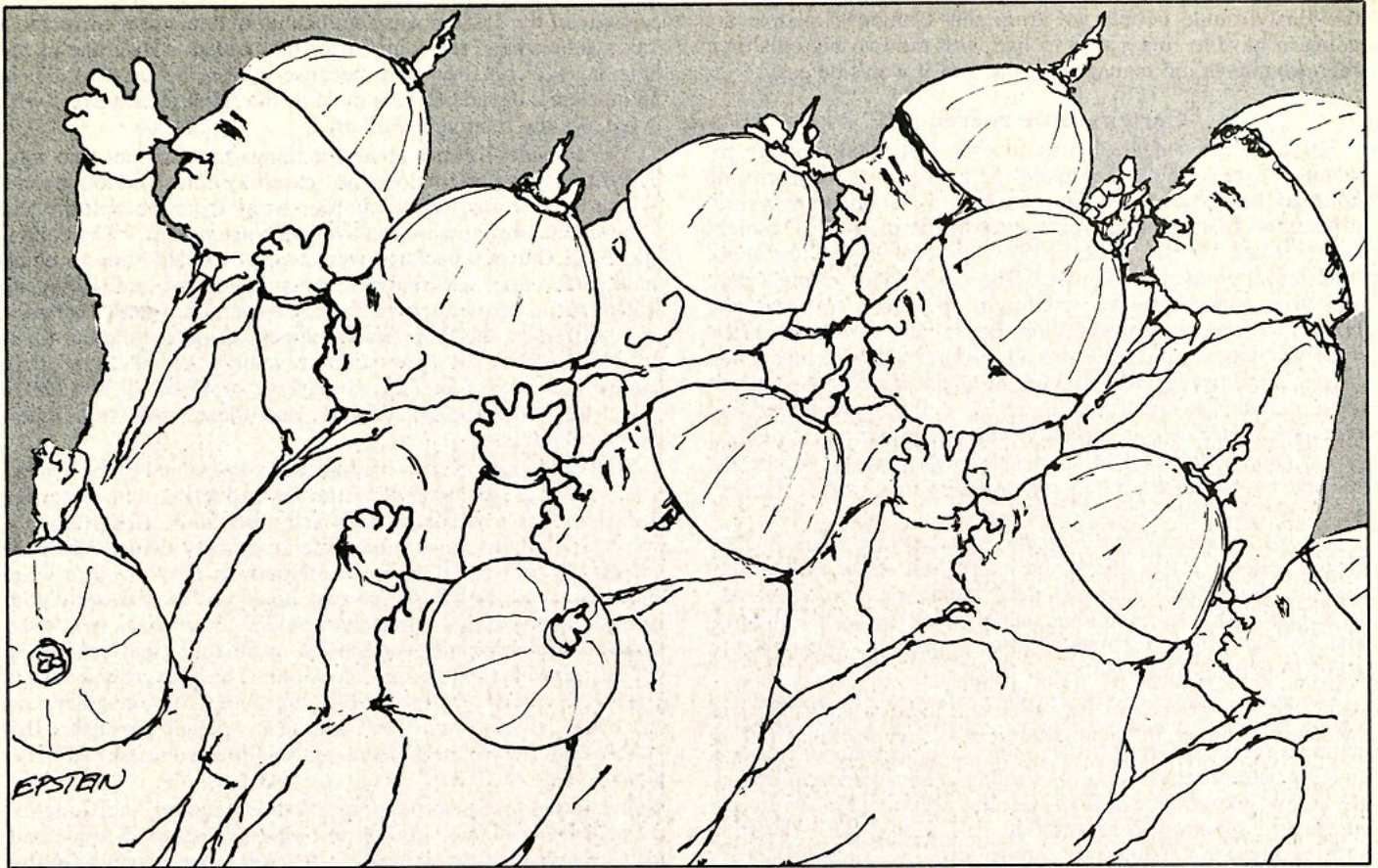
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Worse than nothing from the 95th

By Linda Rocawich and Susan Reid

"Representative government on Capitol Hill is in the worst shape I have seen in my 16 years in the Senate. The heart of the problem is that the Senate and the House are awash in a sea of special interest lobbying and special interest campaign contributions. . . . We're elected to represent all the people of our states or districts, not just those rich or powerful enough to have lobbyists holding megaphones constantly at our ears."

—Sen. Edward Kennedy

When the 95th Congress closed up shop and went home six weeks ago, America's little people breathed no audible sigh of relief. But they should have. The early adjournment meant there would be a respite of nearly three months during which their elected representatives could do them no more lasting harm.

The 95th Congress—the one that was billed in post-election euphoria two years ago as the most progressive since World War II, the one that was going to pass sweeping reform legislation that would better our day-to-day lives in fundamental ways, the one that was not only overwhelmingly Democratic but also had a reform-minded Democratic President to work with—well, it didn't just fail to do any of those good things. It *undid* reforms passed by earlier, theoretically less progressive Congresses.

It's no secret that the preoccupation of most Americans these days is with their pocketbooks, if they can afford to buy them. The cost of living has doubled in a single decade, and wages have not begun to keep up. To mitigate this incredible inflationary pressure and give workaday citizens some faith that things might get better, Congress was going to hammer out two major pieces of legislation this year—tax reform and an energy bill. But the 95th didn't so much hammer these out as schlep them

out, with those needing the least benefits getting by far the most.

But before we even get into the details of these two sad tales, it's necessary to recall as briefly as possible some of the other reforms that people were led to expect from Capitol Hill this year, all of which were done in by narrow, vested interests:

- **Election reform:** The administration-backed package included basic changes in election laws and, most importantly, public financing of congressional elections. It died in the House without so much as a vote on the proposal itself.

- **Health care reform:** The administration's health insurance legislation was attacked on all sides and got nowhere, and a bill to stabilize hospital costs was lobbied to death by the health industry.

- **Consumer protection:** Consumerists' big push was for creation of a cabinet-level department of consumer affairs. They didn't get it from what Ralph Nader dubbed "the corporate Congress."

- **Welfare reform:** President Carter's legislative package was meant to simplify the system and make it more equitable for recipients and less burdensome for the states, with all parties agreeing the system badly needs revamping. The proposal was never seriously considered by full committees in either house of Congress.

- **Urban policy reform:** President Carter's sweeping proposals to aid cities with new types of revenue sharing, public works projects, and grants, loans and incentives were never acted upon by Congress.

- **Labor law reform:** Changes that would have made it easier for unions to organize nonunion workers were labor's Number 1 priority this year. The bill was killed off by big-business lobbyists' attack, finally dying in a Senate filibuster.

So much for still-born reform. As it turns out, dead bills are

the least trouble people got from this Congress; people are going to have to find a way to live with the two big bills their representatives did manage to pass, and it won't be easy.

Carter's little energy pill

There's a good deal of dispute over just what citizens got when Congress finally approved the energy bill in the closing hours of the session's last day, October 15, but one thing's sure: it bears no resemblance whatsoever to the measure President Carter asked for back in April 1977, when he was talking about "the moral equivalent of war." The meat of his original plan was taxes—incentives and credits to encourage conservation, levies to discourage consumption. By the time the Congress got done grinding it up, there was no more crude oil equalization tax, no more tax on industrial use of oil and natural gas, and no more standby gasoline tax; there were a few incentives and credits left, albeit considerably watered down. As *Congressional Quarterly* put it in classic understatement, "Generally, the legislators chose to encourage conservation, rather than penalize waste."

No one is happy with the result. A recent newsletter put out by the state of Texas' Washington lobbying office approvingly quotes a Senate aide who says that "the administration seemed to be hoping that by combining an ugly duckling with a frog, the end product would look like Prince Charming. What they're going to get is an ugly feathered frog."

Though the Carter administration professes to be pleased and seems actually to believe that it now has a "comprehensive national energy policy," the best most congressmen will claim is that it's better than nothing. According to Sen. James Abourezk (D-South Dakota), one of the bill's most ardent critics, everyone he tried to debate with agreed that "it's a lousy bill." Says the retiring senator, "Instead of arguing with me, each and every one said, 'I know, but I'm going to vote for it anyway.'"

What's wrong with it? Critics claim that the bill does little to promote real conservation, enriches the big oil and gas companies while giving little help to financially strapped consumers, and could actually increase imports because the price of natural gas may rise so high that consumers would rely even more heavily on oil. Estimates vary on just how much prices will rise. The conference committee that put the bill together claims it will increase gas producers' income by \$9 billion over the next six and a half years; at one point the Department of Energy was saying a more accurate figure would be \$29 billion; and consumer groups who feel strongly that the bill will gouge residential gas users say \$50 billion.

We'd like to be able to report how Texans voted on these controversial issues and what happened to the better features of the President's plan. But we can't because nearly all the action this year took place outside the public purview. Since each chamber had passed its own version of the energy bill last year in the first session of the 95th, the bill was in the hands of a conference committee in 1978. After protracted dispute, the conferees finally offered the Senate and House a compromise in August.

The handful of record votes this year took place after the package was in its final form and the only options left were to vote for "the energy bill" or to kill the whole thing. There were efforts in both houses to separate the controversial natural gas pricing proposal from the rest, so as to consider this matter on its merits, but these efforts were stifled by administration arm-twisting. (The recalcitrant senators never got closer than a 39-to-59 defeat in their bid to vote separately on gas pricing, but the House dissidents missed by only one vote—see House Vote #6.)

Whacking at taxes

The Revenue Act of 1978 was handled in the open, but the result was similar: victory for corporate interests and rich folks, defeat for average folks. We can't express it any better than the staid *Congressional Quarterly* did in its summary of the 95th Congress: "The tax-cut measure that Congress passed on the

last day of the session was significant not because it corrected a tax system that President Carter had called 'a disgrace to the human race' but primarily because it was the first tax bill in more than a decade to give most of the relief to taxpayers who were already relatively well off."

The President didn't mean for things to work out this way. His initial idea was to close the "carefully contrived loopholes" which have shifted the tax burden away from the wealthy and "more and more toward the average wage earner." The centerpieces of Carter's package were two proposals—one to eliminate preferential tax treatment of capital gains, and another to call a halt to tax deductions for extravagant business expenses, symbolized by the three-martini lunch. Congress did cut taxes by \$18.7 billion, but its bill didn't contain either of Carter's two prime provisions. In fact, Congress scrapped all but half a dozen of his proposed reforms, and those were very minor technical adjustments.

Half of the taxpayers—the half at the upper end of the income scale—will get 80 percent of the tax reduction, but under the Revenue Act everybody does get *something*. Unfortunately, the 95th Congress also raised social security taxes. When the effects of both tax bills are combined, as they are in a wage earner's shrinking take-home pay, none but the extremely poor and the rich will find themselves paying lower taxes next year. *Seven Days* magazine summed it up in four tight sentences: "The overall tax picture is a bleak one. The high growth days of the 1950s, 1960s and early 1970s are over. The pie Americans are being asked to share isn't getting any bigger. To ensure that the rich get richer, the government has decided to take from the poor."

In the process of producing this abomination, the Congress considered a number of different ideas, some good, some bad. What follows are the details of a few key tax proposals debated on the Senate and House floors this year, their fates, and how the 26 Texans on Capitol Hill voted on them.

Key Senate votes

	1	2	3	4	5	6	7	8
Lloyd Bentsen	○	★	○	○	○	○	○	★
John Tower	○*	○*	NV	NV	★*	○*	○*	○

★ — The *Observer* agrees with this vote.
 ○ — The *Observer* disagrees with this vote.
 NV — Not voting.
 * — Paired, or position announced.

1 Corporate tax cuts

Senators took great pains to sweeten this year's tax bill for industrial interests. Several reforms that would have increased business taxes were killed, capital gains taxes were cut back, and the Senate finance committee reduced the top corporate income tax rate from 48 percent to 46 percent. Sen. John Danforth (R-Missouri), of the Ralston Purina Danforths, proposed to lower the maximum corporate tax even further—to 45 percent in 1980 and 44 percent in 1981. Committee chairman Russell Long (D-Louisiana) reminded his colleagues that the tax bill was already "very good to the people who own those corporations," and that every percentage point they lowered the tax meant another \$1.7 billion loss to the Treasury.

On an October 10 vote, the Danforth amendment passed 60 to 30. A no vote would have brought an *Observer* star, but neither Texas senator earned one.

2 Kemp-Roth tax cut

There was plenty of nationwide hullabaloo over the proposal by Rep. Jack Kemp (R-New York) and Sen. William Roth (R-Delaware) to whack individual income taxes with a broadaxe,

but by the time the measure came up for a Senate vote on October 6, the right-wing scheme had been fairly widely discredited as irresponsibly inflationary, inequitable in its impact, and crippling to government. Their amendment would have made across-the-board cuts in the tax rate by 7 percent in 1979, 13 percent in 1980, and 10 percent in 1981, with an estimated revenue loss of \$190.5 billion. It was voted down by a vote of 60 to 36.

An *Observer* star to Sen. Lloyd Bentsen for his no vote; a zero to Sen. John Tower for his paired yes.

3 Relief for the middle class

According to Sens. Dale Bumpers (D-Arkansas) and Ted Kennedy (D-Massachusetts), the Senate revenue bill reduced taxes for the wealthy and the very poor, but seriously short-changed taxpayers who earned \$10,000 to \$30,000—that is,

more than two-thirds of the people. And inflation would likely swallow up what little they got, so the pair offered an amendment to cut an additional \$4.5 billion, with 80 percent of the added tax relief going to middle-income workers.

The Bumpers-Kennedy amendment passed on an October 6 vote, 52 to 43, but no stars to the two Texans. Later, the House-Senate conference committee reduced this tax cut, but divvied up the reductions among income groups in approximately the proportions dictated by this amendment.

4 Multinational giveaway

A provision allowing our multinational corporations to defer federal taxes on income they earn in foreign countries until they bring the money into the U.S. costs the Treasury from \$300 million to \$1 billion a year. It's also bad economic policy—as Sen. Frank Church (D-Idaho) said, "it encourages corporations

How others see them

Though the Observer's look at the 95th Congress is limited to a handful of votes that directly affect your pocketbooks, we know that's not the only thing that matters. Happily, the Observer isn't alone in evaluating the Congress—herewith, 15 other ratings based on other issues. All the numbers are expressed in percentages, and the full names of the groups doing the rating are listed below the chart. —Vicki Vaughan

	AFL	AFT	NFU	CR	TAX	PC	CFA	ACR	LCV	WPC	CC	RS	NAB	NSI	ACU
Bill Archer	4	0	0	8	6	13	14	80	30	12	43	69	100	100	95
Jack Brooks	48	50	50	58	31	38	36	0	21	94	36	31	58	80	25
Omar Burleson	16	16	20	8	25	15	14	20	14	19	36	42	83	100	88
Jim Collins	4	0	0	0	6	23	23	70	30	12	29	69	100	90	88
Kika de la Garza	28	16	60	33	6	15	27	0	20	44	57	31	60	90	68
Bob Eckhardt	76	83	70	92	56	83	59	90	87	75	86	46	0	11	5
Bob Gammage	32	66	30	58	25	18	14	0	20	38	43	33	89	67	55
Henry Gonzalez	92	92	70	92	50	63	64	10	30	62	57	18	9	88	38
Sam Hall	12	16	30	25	31	20	27	0	5	38	36	17	91	80	83
Jack Hightower	44	50	50	33	31	30	32	0	14	56	36	15	67	90	50
Barbara Jordan	88	83	70	92	50	78	77	10	35	94	64	31	0	30	8
Chick Kazen	36	50	50	25	25	18	18	0	20	50	36	23	46	100	58
Bob Krueger	28	33	20	50	38	23	18	20	18	69	29	58	86	80	54
George Mahon	32	33	40	17	38	33	41	0	3	44	36	38	50	89	45
Jim Mattox	72	75	40	83	50	68	46	83	80	75	79	54	36	60	8
Dale Milford	16	8	0	25	19	13	9	0	5	25	50	42	100	86	67
Jake Pickle	40	50	40	50	31	35	32	10	40	50	64	25	67	70	50
Bob Poage	24	33	40	8	44	20	9	0	45	19	29	50	64	100	78
Ray Roberts	24	25	30	17	25	18	14	0	9	38	50	42	75	100	80
Olin Teague	12	16	20	17	19	10	0	0	0	6	29	40	67	100	50
Richard White	28	58	50	50	25	28	23	0	20	50	50	23	70	100	70
Charlie Wilson	64	75	40	50	25	30	9	0	47	75	43	33	36	75	37
Jim Wright	76	83	60	83	44	55	36	10	11	75	79	33	0	50	10
John Young	40	33	70	58	6	18	18	10	15	50	36	23	13	60	17
Lloyd Bentsen	44	33	60	42	27	25	30	n/a	41	n/a	43	56	67	80	38
John Tower	8	0	60	0	5	13	15	n/a	0	n/a	18	64	60	100	91

AFL-CIO (COPE)
 American Federation of Teachers
 National Farmers Union
 Leadership Conference on Civil Rights
 Taxation with Representation

Public Citizen
 Consumer Federation of America
 American Coalition of Rivers
 League of Conservation Voters
 National Women's Political Caucus

Common Cause
 Ripon Society
 National Alliance of Businessmen
 National Security Index
 American Conservative Union

to invest in foreign countries instead of the United States, has cost America jobs, tax revenue, and has increased the size of the already swollen U.S. trade deficit. . . . Until these earnings are repatriated, 'deferral' acts like an 'interest-free cash loan' from the U.S. government," thus giving multinational corporations an advantage over domestic industries. Church proposed to phase out the tax-deferral provision.

His amendment was killed October 9, when Sen. Long's motion to table it passed 61 to 17. No *Observer* stars here—Bentsen voted for the multinationals and Tower didn't vote.

5 Capital gains and the elderly

The Senate tax bill proposed an exemption from the capital gains tax on profits from the sale of a home if sold for \$50,000 or less. Sen. Church offered an amendment to raise the ceiling to \$100,000 but limit the advantage to one-time use by people over 55—thus preventing institution of a reusable exemption that could become a real estate speculator's bonanza.

On October 10, the Church amendment was adopted, 73 to 18. Bentsen gets a zero for his vote against it; Tower was absent, but had announced himself in favor of the measure. And the amendment stuck—it found its way, in substantially this form, into the final version of the bill accepted by both houses.

6 Millionaires' relief act

By the time the tax bill got to the Senate floor, there was no talk of eliminating the capital gains tax exclusion—a provision whose benefits accrue mainly to the wealthiest two-tenths of one percent of all taxpayers. Instead, the debate was on just how preferential it should be. The finance committee proposed to cut these taxes on the wealthy by \$3.2 billion, the avowed goal being stimulation of corporate spending.

Sen. Kennedy proposed to reduce that cut to only \$1.2 billion, which, he pointed out, was more than generous. Kennedy cited *Business Week* magazine's recent report that "the nation's largest corporations are sitting atop a record \$80 billion pile of ready cash that could finance a grand boom in capital spending . . ." concluding that lack of capital is clearly not the reason for the slowdown in capital investment. Kennedy further argued that the proposed reduction in capital gains taxes would chiefly benefit real estate interests, with only 15 percent of the cut financing corporate expansion. Kennedy called the committee proposal a manifestation of the old "trickle-down philosophy" that had been "wisely rejected" by prior Congresses.

But the capital-gains-exclusion steamroller was in full gear, and Kennedy's amendment was perfunctorily dismissed on October 10 by a vote of 10 to 82. No *Observer* stars for Texans, both of whom sided with the rich.

7 Three-martini lunch

Despite the notoriety accorded tax deductions for extravagant business expenses when President Carter tagged them a "taxpayer-subsidized three-martini lunch," neither the House nor the Senate was much inclined to disturb them. Sen. Kennedy tried, though. He pushed an amendment to do away with business deductions for first-class air fare, purchase of sports and theater tickets, and businessmen's meals costing more than \$25. He said his amendment would eliminate government subsidy of expense-account living and dictate that "there will no longer be a privileged small group whose entertainment is subsidized by other taxpayers, who must budget for their entertainment in after-tax dollars."

But, on October 10, the Senate voted 70 to 22 to table the Kennedy amendment and leave this rich man's loophole wide open. No stars for Texans—Bentsen voted with the majority and the absent Tower announced his support for the high-living, tax-deductible crowd.

8 Tuition tax credit

Rapidly rising college costs scare the daylights out of middle-class parents, and—in spite of President Carter's opposition—both the House and the Senate overwhelmingly favored easing the tuition burden borne by college students' families with yet another tax credit.

But the Senate refused to go along with the House on extending the tax credit to private elementary and secondary school tuition (see House Vote #5). Sen. Ernest Hollings (D-South Carolina) led the fight against the House version, saying that the more he's heard about how bad the public schools are, the more he's come to feel they should be improved, not further weakened by passing a tax credit that could only encourage parents to remove their children from public schools.

The Hollings amendment to limit the tax credit to college tuition passed 56 to 41. Bentsen gets a star for siding with Hollings; another zero for Tower.

Key House votes

	1	2	3	4	5	6
Bill Archer	○	○	○	○	○	★
Jack Brooks	○	○	○	○	○	○
Omar Burleson	○	○	○	○	★	★
Jim Collins	○	○	○	○	○	★
Kika de la Garza	○	★	○	○	○	★
Bob Eckhardt	★	★	★	NV	★	○
Bob Gammage	○	○	○	○*	★	★
Henry Gonzalez	★	★	★	○	★	○*
Sam Hall	○	○	○	○	★	★
Jack Hightower	○	○	○	○	★	★
Barbara Jordan	★	○	★	○	★	★
Chick Kazen	○	○	○	○	★	○
Bob Krueger	○	○*	○	○*	★*	★
George Mahon	○	○	○	○	★	★
Jim Mattox	★	★	○	○	★	○
Dale Milford	○	○	○	○	NV	○
Jake Pickle	○	○	○	○	★	○
Bob Poage	○	○	○	○	★	○
Ray Roberts	○	○	○	○	★	★
Olin Teague	○*	○*	○*	○*	★	NV
Richard White	○	○	○	○	★	★
Charlie Wilson	○	○	○	○	★	○
Jim Wright	★	○	★	NV	★	○
John Young	○	○	○	○	NV	○

★ — The *Observer* agrees with this vote.

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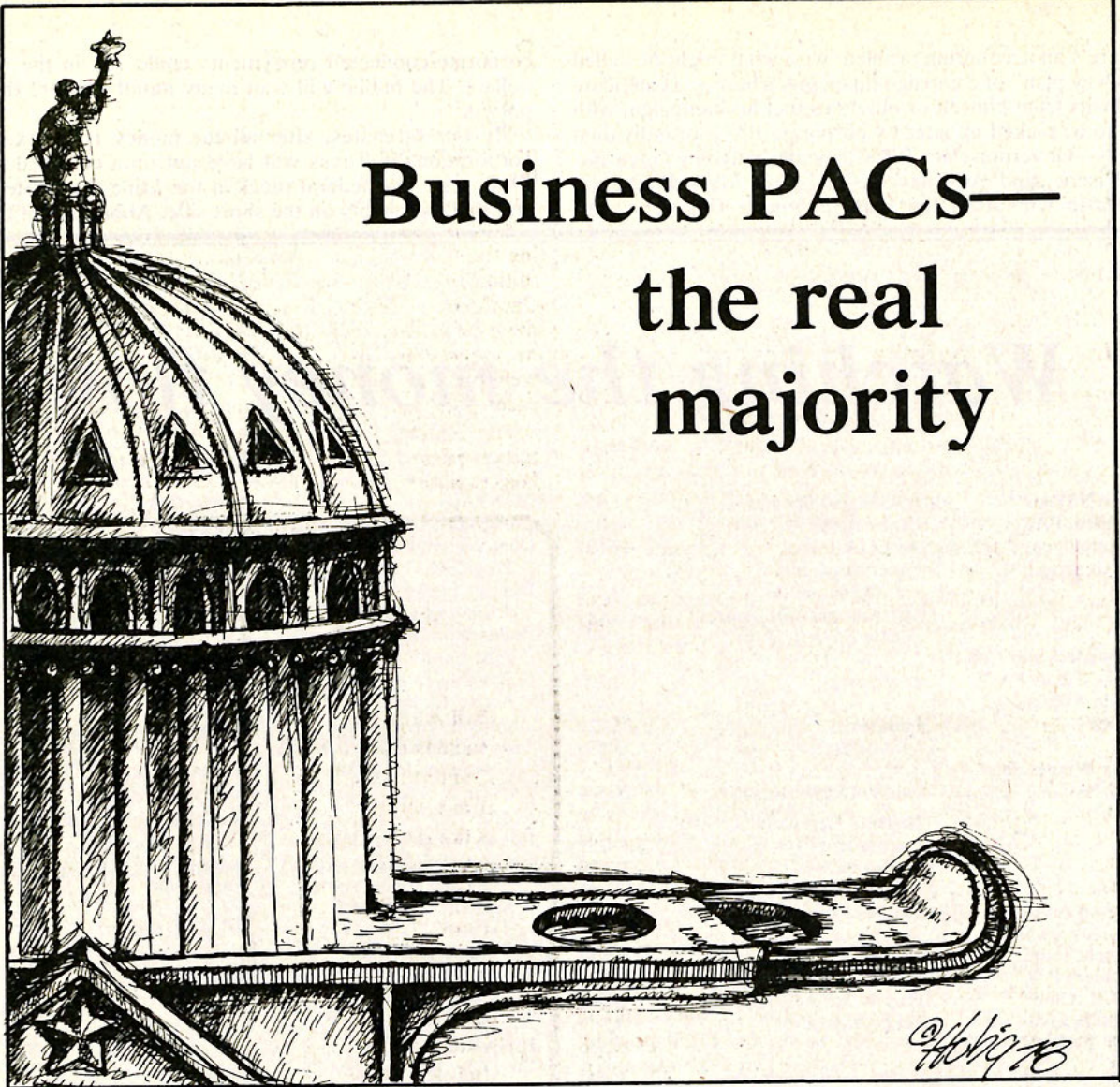
NV — Not voting.

* — Paired.

1 Progressive taxation

House members got one main chance to vote for a tax-cut bill more progressive than the one reported out by the ways and means committee. It came on an amendment proposed by Reps. James Corman (D-California) and Joseph Fisher (D-Virginia), and it had administration support. Corman-Fisher proposed an increase in the general tax credit and changes in the capital gains tax, and its effect on the committee bill would have been a bigger tax cut—\$2 billion bigger—and a redistribution of the benefits—more for people earning less than \$50,000, less for those earning more.

(Continued on page 21)



Business PACs— the real majority

By Helen Jardine

Most voters may have been apathetic about Texas politics this year, but one type of political participant played the game more enthusiastically than ever before—the business executives of major corporations. Like everyone else, these citizens have only one vote apiece; but unlike everyone else, they have lots of loose dollars to stuff into campaigns—a fact that gives their participation a little special oomph in the democratic process.

Business men and women have always been the chief source of political money, but since there are laws against making contributions directly out of corporate funds, they have had to give as individuals (or set up secret and illegal slush funds such as those operated by Gulf Oil for years). As a result, it has been impossible to make even an approximate accounting of total business giving in campaigns.

This time around, however, corporations became a bit more openly involved in campaign finance by forming their own political action committees, which are legal entities that receive money from managerial-level employees of a firm and then dole it out in the corporate name to favored candidates. By tracking the identities and contributions of these PACs, it would be possible to get at least a rough idea of how much oomph big business delivers in politics.

With the help of a dozen volunteers, the *Observer* has made the effort this year to assess the level of giving by these business PACs in Texas. It is important to admit at the outset that we did not succeed. We were able to trace a staggering \$4 million that

corporate committees put into the 1978 elections, which makes them far and away the deepest well in Texas politics this year.* But, for several reasons, this figure does not begin to measure the actual amount of corporate-based money that local and state politicians hauled away:

(1) It still doesn't account for the individual donations of corporate chieftains, a sum that would surpass the \$4 million we found.

(2) All but a few thousand dollars of our total went to state-office candidates—corporate PACs giving to congressional and senatorial candidates report separately in Washington, and we have not tackled that end of it, which would add at least a couple of million more spent in Texas.

(3) Our count runs only to October 28, when the last filing before the election was due, so it misses the post-election report (due December 7), where another \$2 million or more in corporate PAC contributions are expected to be reported.

(4) The secretary of state's office, which receives the periodic PAC filings required by law, is slow to review the reports to assure compliance with the laws, and the reports contain many errors, missing information, and general sloppiness, which is to say we have no confidence that the firms are revealing the full extent of their giving.

* Corporate executives are fond of saying that it was necessary for them to form PACs in order to counter the big money that organized labor is putting into campaigns. This year, Texas unions will have put less than \$200,000 into all state and local races combined—5 percent of the \$4 million attributable to corporate PACs.

(5) There's an accounting problem with what might be called the "layaway plan" of campaign financing, whereby a candidate obtains loans from himself or others to fuel his campaign, with the debt to be picked up later by corporate PACs or individual executives—Governor-elect Bill Clements, outgoing Governor Dolph Briscoe, and Attorney General-elect Mark White are among those who used the loan technique this year, and

corporate-connected repayments could run in the millions of dollars. The public will wait many months before they are reported.

By our estimates, after all the money is in, executives of corporations in Texas will have put up a cool \$20 million for local, state and federal races in the Lone Star state this year, and that's probably on the short side. About half of that will go

Watching the money flow

Action TRANSPAC	trucking companies	11,421	CONPAC	contractors	5,600
AGC of Austin PAC	contractors	2,330	Construction Industry PAC	contractors	14,602
ALCOA Employees PAC	ALCOA	29,600	Constructive Citizenship Program	Texas Instruments	21,700
American General PAC	American General Life Insurance	3,908	Dallas Chapter, Texas Society of CPAs PAC	accountants	5,067
APAC	San Antonio Apt. Assn.	3,179	Dallas Mortgage Bankers P.A. Fund	bankers	4,425
ASA PAC	Austin Savings Assn.	1,440	Dallas Power and Light Active Citizenship Committee	utility	8,875
Assn. of Builders and Contractors of Texas PAC	contractors	2,200	Diamond Shamrock Political Committee for Texas	oil and gas co.	1,950
Austin Civic Affairs Committee	builders	75,821	EMPAC	Dow Chemical	55,150
AUTOPAC	auto dealers	73,550	EMPAC	Texas Power & Light Co.	58,025
Automotive Wholesalers of Texas PAC	automotive wholesalers	10,543	Energy Employees PAC	Texas Utilities Co.	23,609
BALLOT	Bankers Legislative League of Texas	137,281	Enserch Employees Political Support Assn.	energy co. and utility	47,559
Beef-PAC	cattlemen	24,200	E-Systems Corp. PAC (Dallas)	electronics co.	10,520
Big 50 PAC	builders	133,275	E-Systems Garland Division PAC	electronics co.	777
BIPAC of San Antonio	Chamber of Commerce	2,450	Farm and Home Savings Assn. PAC	savings and loan	5,920
Braniff Employees Good Government Fund	Braniff managers	28,550	FINANPAC	loan companies	9,635
Brown Builders PAC	Brown & Root	37,500	First City Bancorp. PAC	bankers	67,723
Business P.A. Club	Fort Worth businessmen	2,305	First International Bancshares Good Government Fund	bankholding co.	30,150
BW-PAC of Texas (7 local BW-PACs)	beer wholesalers	21,869	First PAC	First Federal Savings & Loan (Austin)	3,800
"C" Club	Houston businessmen	9,600	Forestry PAC	Texas Forestry Assn. dentists	4,681
Central and Southwest Services, Inc. PAC	utility	8,350	Ft. Worth Dental PAC		2,500
Central PAC	trucking companies	20,975	Friends of Agriculture Committee Texas (FACT)	Crystal Chemical Co.	1,600
Central Power and Light Co. PAC	utility	3,263	General Dynamics Voluntary Political Contribution Plan for Texas	General Dynamics construction/transportation co.	6,000
Central-Texas Chapter Associated Builders and Contractors PAC	contractors	2,600	Gifford-Hill American, Inc. PAC	construction/transportation co.	10,562
Century Club of Home and Apartment Builders Assn. of Metropolitan Dallas	builders	12,065	Gifford-Hill Good Government Group	construction/transportation co.	7,050
CEPAC	consulting engineers	12,766	GOLDPAC	Goldrus Drilling Co.	5,045
Citizens for Better Government (Abilene)	bankers	19,568	Good Government Fund (Fort Worth)	Perry Bass (oilman)	74,559
Citizens PAC	Houston Lighting & Power	20,325	Good Government Fund (Houston)	Goleman & Rolfe architectural firm	17,318
Citizenship Responsibility Group	Entex (natural gas)	26,175	Good Government PAC	Texas Electric Service Co. insurance	24,000
Civic & Political Action Committee	Bovay Engineers	7,450	Great Southern Life PAC		3,100
Coastal States Employee Action Fund	oil and gas co.	1,000	Halliburton PAC	oil field equipment	18,650
Committee of Concerned Citizens	Southern Union Gas Co.	19,458	Hammer and Nails Club (Tarrant County)	builders	4,846
Communicators PAC	General Telephone	34,136	HELP (Hospitals Express Legislative Preference)		21,950
Community Public Service Co. Responsible Government Assn.	utility	5,100	Hospitality PAC	hotel/motel managers	5,626
COMPAC	insurance	13,332	House-PAC	Household Finance Corp.	1,800
Concerned Associates Employees	Associates Financial Services	3,800	Houston Action Committee	Houston retailers (Foley's, etc)	4,625
Concerned Citizens PAC	Metropolitan Contract Services Co.	6,822			

through their PACs.

The mushrooming of corporate PACs is a recent phenomenon. In 1976, only 491 PACs were registered with the secretary of state, and most of those were citizen groups and labor unions. Indeed, industry publications used to regularly denounce the very idea of political action committees, particularly unions' (charging that they amounted to compulsory political

participation by employees). But that was before they realized that the only difference between a union PAC and a corporate PAC would be that the corporate variety would have more money to dispense. Today, the secretary of state's office has 1,209 PACs registered, with nearly all of that 60 percent jump in only two years attributable to corporations and their trade groups. Similarly, the Federal Election Commission in Wash-

Houston Better Government Fund	Houston Apartment Assn.	75,298	Shell Employees PAC of Texas	Shell Oil	5,500
Houston Chapter, Texas Society of CPAs	accountants	15,009	Southwestern Committee on Political Education	Southwestern Life Insurance Co.	32,108
Houston Mortgage Bankers PAC	bankers	9,885	Southwestern Electric Power Co. PAC	utility	2,558
Houston Oil and Minerals Good Government Fund	oil co.	27,250	Southwestern Life Good Government Committee	insurance	2,650
Houston Realty Breakfast Club	realtors	63,798	Spirits-Wine Action Committee (SWAC)	liquor lobby	11,800
Howell Corp. Political Awareness Fund	oil and coal co.	1,000	Surveyors PAC	surveyors	4,684
Hughes Tool Co. PAC	oil field equipment co.	4,155	TABPAC	Texas Assn. of Business	59,375
IBAT-PAC	independent bankers	27,200	Telecom Corp. Political Awareness Committee	trucking, manufacturing co.	2,359
IMPACT (state)	insurance	50,898	TEMP-PAC	Temporary Help Assn.	10,538
(10 local IMPACTs)		108,644	Texans for Better Transportation PAC	highway lobby	5,598
Independent Automobile Dealers PAC	auto dealers	3,800	Texas Aggregates & Concrete PAC	Austin materials supplier	4,100
Interested Nurserymen's PAC	nurserymen	4,050	Texas AMOCO PAC	AMOCO	15,110
Katy Good Government Committee	railroad	2,200	Texas Architects Committee	architects	44,378
Klein Partnership Good Government Fund	architects	6,182	Texas Assn. of Bank-holding Companies PAC	bankholding companies	6,280
Life Insurance PAC	insurance	10,600	Texas Building Branch—Assoc. General Contractors	contractors	5,550
LIFEPAC	insurance	7,350	Texas CEMPAC	cemetery owners	11,068
Life Underwriters PAC of Texas	insurance	139,250	Texas Citizens PAC	Pennzoil	9,900
Lone Star Steel PAC	steel co.	37,546	Texas Counsel PAC	Moody family	9,000
Lone Star Steel State PAC (STAR-PAC)	steel co.	8,956	Texas Eastern PAC	Texas Eastern Transmission Corp.	3,117
LTV Active Citizenship Campaign Fund	Ling Temco Vought	209,216	Texas Employers Casualty Employees PAC	insurance	10,980
Main Street PAC	banks	8,334	Texas Energy PAC	Empire Drilling (Stuart Hunt)	48,470
Metropolitan Title Agents PAC	insurance	5,000	Texas Express PAC	trucking co.	26,512
Mitchell Energy & Development PAC	oil and real estate	3,138	Texas Fire & Casualty Employees PAC	insurance	14,800
MORTI-PAC	morticians	21,450	Texas Growers & Shippers PAC	agribusiness	5,473
Nursing Home Administrators PAC of Texas	nursing home managers	81,349	Texas Manufactured Housing Assn.	mobile home manufacturers	8,050
PAC for Engineers	engineers	2,850	Texas Mortgage Bankers PAC	bankers	19,183
PACT	oil and gas	236,574	Texas Optometry PAC	optometrists	10,510
PAL (Pharmacists Assist Legislators)	pharmacists	7,050	Texas Penney PAC	J.C. Penney's	1,645
Panhandle Chapter CPAs PAC	accountants	4,216	Texas Retail Action Committee	Texas Retailers Assn.	31,067
PAS-PAC-Texas	El Paso Co.	3,054	Texas Society of CPAs PAC	accountants	69,221
PEACE	private employment agencies	17,777	T-Fund Political Committee	Pioneer Natural Gas	8,450
Pine Tree Pol. Committee	Kirby Lumber	12,946	Trailways PAC	Continental Trailways	10,335
PISCES	seafood industry	1,600	TRANSPAC	Texas Motor Transport Assn.	23,380
Political Support Assn.	Houston Natural Gas	31,758	(16 local TRANSPACs)	trucking companies	47,027
Property Owners Protective Assn.	Austin realtors	9,008	TRAPAC	restaurant assn.	26,130
Raymond International Inc. Employees PAC	construction co.	2,150	TREPAC	realtors assn.	459,740
Republic of Texas Corp. Special Fund	bankholding co.	38,600	U.S. Steel Employees Good Government Fund	steel co.	1,300
SALPAC	savings and loans	64,652	Voluntary Political Contribution Fund	Texas Commerce Bancshares	27,258
San Antonio CPAs PAC	accountants	13,588	West Texas Utilities PAC	utility	8,050
San Antonio Optometrists	optometrists	1,650	W.H.F.L.G. (White Hats for Local Government)	Odessa businessmen	11,255
San Antonio PAC	San Antonio businessmen	9,537	Wylain Inc. Good Government Committee	Dallas conglomerate	2,760
Savings Institutions Community Service PAC	savings and loans	4,208	ZACO PAC	H.B. Zachry Co.	2,980
Scheppes Dairy PAC	Scheppes	10,150	Zale PAC	Zale Corp.	12,775

ington reports that the number of corporate PACs involved in congressional elections rose from only 89 in 1974 to 711 this year.

Getting to the bottom

The *Observer's* list of corporate PACs that gave money to candidates for local and state offices this year is the most thorough list you'll come across, but unfortunately it is far from exhaustive. Even though we had the list of all PACs registered with the secretary of state, we were stymied from the start—PACs, you see, don't have to identify themselves by corporate or industry affiliation, and few do. Instead, they cloak their identities with such acronyms as PAL and BALLOT, such non-descriptive guises as T-Fund, Big 50 and "C" Club, such precious names as Pine Tree, or such good-government facades as Committee of Concerned Citizens and Constructive Citizenship Program.

What is the inquiring reporter—much less the average, mystified citizen—supposed to do when presented with nothing but an obscurely named PAC, the equally obscure name of an individual listed as its treasurer, and a mail-drop for an address? How are we to know who is putting up the money? The only way is to play detective, as we did for the better (or worse) part of several weeks. First, we took advantage of information that other, more limited studies had unearthed, which gave us the identity of some of the PACs that have been around awhile or have achieved some degree of notoriety as big spenders or what-have-you (the oil and gas industry's PACT, for instance). Then we experimented with the direct approach—writing letters of inquiry to treasurers of unidentified PACs; the letters went unanswered and the PACs remained unidentified.

Much perusal of telephone directories ensued, as we checked treasurers' names, along with the occasionally reported street address, against listings for cities all over the state. Here we had better luck. Now and then the phone books themselves answered our question, as when a PAC's office building address matched up with a trade group's address listed in the yellow pages under "associations." In other cases, friendly office building rental managers would tell us who occupied a certain suite, and provide a phone number.

Our favorite, though perhaps crudest, bit of telephone sleuthing came when we tried to find a number for George Haley, treasurer of W.H.F.L.G. PAC, who had listed only an Odessa post office box in his reports to the secretary of state. We tried and failed to reach one "Haley Geo," then crossed our fingers and called "Haley G R Co"—which turned out to be the wrong Haley but the right number to call, because we were informed that the George Haley we wanted to talk to was probably the one who was president of a local bank (and, as we later learned from George himself, founder of a local business PAC called White Hats for Local Government).

This sort of exercise left us with a somewhat shorter list of unidentified PACs and phone numbers for their treasurers. So we called them. And called them. And called them. And finally got through to all but two. But, with few exceptions, getting through was not the same as getting the information we wanted.

Typical was the game of 20 questions we played with M. A. Taylor, treasurer of Waco-based Central PAC. We started with our usual query: is your PAC affiliated with any corporation or industry or trade association? "We're just a good government group," came the reply. Yes, but are members of your group drawn from a particular profession or industry or company? "We're a very, very conservative group," Taylor answered. Several variations of these two responses greeted our next series of questions, but Taylor didn't hang up, so we tried one last time: was Central PAC created by any particular group? "Well, uh, yes, as a matter of fact, we were all in the transportation industry," he conceded—trucking companies, to be exact.

We were never able to make contact with treasurers of two PACs—San Felipe Reserve Account and Southwestern PAC—though we do know they spent \$27,200 and \$7,539, respectively.

(You are invited to try your hand at figuring out whether these two belong on our list of corporate-connected PACs. Here are the names and addresses you'll need: for San Felipe, write to Clarence H. Jones, 1900 St. James Place, Houston 77056; for Southwestern, write to W. David Blunk Jr., P.O. Box 710, Sugarland 77478.)

A third PAC we could not identify was a special case—we managed to speak with Free Enterprise PAC's treasurer, Austin accountant William Boyd III, but he flatly refused to answer our question, claiming that to do so would be to breach a confidential relationship with the PAC's directors. He had simply been hired, he explained, to prepare and submit the PAC's financial statements, and could not tell us much more than his own name, rank and serial number without the approval of his clients. He did generously agree to convey our request to them, but cautioned that it might be awhile before he could reach them. We still look forward to finding out why they're so shy about claiming credit for the \$25,948 they have invested in good government over the last two years.

Up for review

One good thing we can say about Free Enterprise PAC is that we found no particular problems with Boyd's accounting work—something we cannot say about many of the files we looked at in the second stage of our inquiry, the tabulation of total PAC expenditures in the period leading up to the '78 election. (This work was carried out over many hours in the confines of a room referred to as "The Vault" around the secretary of state's office.) Some PAC reports were simply missing; others were on file but incomplete; still others had not been submitted until well after prescribed filing deadlines.

We asked the secretary of state's enforcement division about these irregularities, and were often told that the files were "up for review"—an answer that sounded reassuring until we heard it for what must have been the umpteenth time. And when we pressed a little harder for explanations of puzzling items in some files—such as the reported flow of money from members of Houston's Butler, Binion law firm to the firm's San Jacinto Fund and back to the firm itself in the form of loan repayments—enforcement division attorneys admitted they were just as puzzled as we were, but assured us that this file, too, was up for review.

By the time we completed our necessarily less than comprehensive tabulations, we figured this whole system ought to be up for review, and we suggested as much to Secretary of State Steve Oaks. Somewhat to our surprise, Oaks offered as harsh a judgment on the disclosure system as our own. It defeats the purpose of disclosure, he said, to let PAC contributors get away without identifying themselves by occupational category and to let PACs file late or incomplete reports with virtual impunity. But, he added, the enforcement authority of the secretary of state under present law is so limited as to be "ridiculous." Oaks vowed to present these and other objections, along with proposed reforms, to the Election Code Revision Commission when it meets to consider changes in the financial reporting laws early next year.

But don't hold your breath for quick changes. First of all, Oaks has only a month remaining on his lease at the secretary of state's office, after which a Clements appointee will be in charge. Furthermore, any changes in the election reporting law ultimately must be made by the Legislature, and whether the current crop has any inclination to mess with corporate PACs is, to put it optimistically, doubtful, since a majority of them were beneficiaries of their largesse this year. □

Helen Jardine is a student at the University of Texas and an Observer staff assistant. With Karen White and Martha Owen, who also are Observer staff assistants, she coordinated the research project that produced this report. Members of their research team were Sharon Burrer, Pauline Edwards, Viki Florence, Jeannette Garrett, Mike Hornick, Robin McMillion, Donna Ng and Paul Rolke.

Legal tender

When corporation chiefs want to stretch campaign contribution laws to the limit, yet reveal as little as possible about what they are doing, whom do they call? Of course, their lawyers. So it is not surprising that, having devised so many of these political financing systems for corporate clients, the legal technicians have also set up PACs for their own firms.

The political action committees of Texas' major corporate law firms were among the most generous contributors to campaigns this year—as of the October 28 filing deadline, just seven of Houston's most prominent firms, for example, had channeled a total of \$343,596 to various seekers of state office this year (see list). By the time the final accounting is done, a fair guess is that these seven firms will have put half a million dollars into local and state races alone, not counting many thousands more that they have given to congressional and senatorial campaigns.

No group is more practiced at hiding lights under bushels than lawyers, and they certainly qualify as the cutest when

Southwest Building in Houston and a Mr. M. P. Martin as its treasurer. PACs tend to employ attorneys as their treasurers, and a look at a Texas legal directory revealed that Martin is a lawyer in the firm of Fulbright & Jaworski, which is housed in the bank building.

The question remained: did White's \$5,000 come from the Bank of the Southwest, with Martin handling the bank's political business, or was the Southwest PAC an arm of the law firm? The obvious course was to call Martin and ask him directly. He was out of town, but could return the call the next day, according to his secretary, so the *Observer* left its straightforward request for this bit of information. When no call came by 4:30 the next day, we tried again. The same secretary said Martin was still out but had been given the message; there was a new chill in her tone, however, as though she had been warned that we were trying to extract one of the firm's darkest secrets. We reiterated that ours was the simplest, most innocent of questions, and asked whether some other member of the firm could help us.

expected him to duck our question, since he apparently doesn't even tell all the members of his firm about the PAC's existence—informed by an *Observer* staffer at a social function that we were preparing a list of law firm PACs, an attorney with Fulbright & Jaworski responded innocently that "our firm doesn't have one of those." He's right—it has two: SPAC and Texas Central Committee.

Who benefits from the lawyers' largesse? Official filings show the firms to be as timid politically as are the corporate PACs, with incumbents favored overwhelmingly against challengers. Some, such as the Acme Fund of Baker & Botts, put a little money on everyone in a race, just to make sure they have the winner covered—for example, this February, Acme Fund gave \$2,000 each to Price Daniel Jr., Mark White and Jim Baker, all running for attorney general. Ten days after White's victory in the Democratic primary, Acme gave another \$3,000 to White. Then, in August, with Baker making a good run at it, Acme laid down \$3,000 more on the Republican. In September, with White looking stronger than ever, the Baker & Botts bunch went to the window again, with \$2,200 on White to win.

It's not that these contributions are so huge (though they are not to be sneezed at), but that they are enough to jog a winner's memory later and assure access by the firm, or by the corporate clients represented by the firm. It is the need for access that explains the \$9,100 the seven firms invested in Lieutenant Governor Bill Hobby's re-election effort, even though Hobby had only token opposition. Similarly, the \$11,100 that the seven contributed to Railroad Commissioner John Poerner's campaign represents a not-so-subtle calling card—the clients of these firms will have much business before Poerner and his colleagues.

Another matter altogether is the heavy giving by law firm PACs to state judicial candidates. In these cases, the purchase of access is more troubling, because payer and payee are likely to have direct dealings with each other in the courtroom. Nonetheless, judges at all levels generally seemed glad to take the law firms' money this year, ranging from Supreme Court justices (Franklin Spears, for example, received \$10,100 from six of the PACs listed in the box) to state district judges (a Houston judge, Bruce Wettman, took in \$4,995 from the lawyer PACs).

—J.H.

PAC expenditures of seven Houston law firms

Law firm	Name of PAC	Amount
Andrews, Kurth, Campbell & Jones	Citizens for Texas Committee	\$ 7,400
Baker & Botts	The Acme Fund	83,000
Bracewell & Patterson	Group B Committee	43,615
Butler, Binion, Rice, Cook & Knapp	San Jacinto Fund	21,720
Foreman, Dyess, Prewett, Rosenberg & Henderson	F/D Political Involvement Committee	8,000
Fulbright & Jaworski	Texas Central Committee	21,003
Fulbright & Jaworski	Southwest Public Affairs Committee	17,503
Vinson & Elkins	Texas Good Government Fund	141,455
	Total	\$343,596

it comes to naming their PACs—San Jacinto, Group B, Texas Central and Acme are just some of the innocuous-sounding labels that the firms have chosen to cloak their financial arms. And when it comes to discussing details of their campaign giving, lawyers are even more skittish than corporate hirelings, no matter how harmless the query.

Just before the election, for example, the *Observer* was trying to track some of the special interest contributions to Mark White in his race for attorney general. White's financial report at the secretary of state's office disclosed that he received \$5,000 from something called Southwest Public Affairs Committee. The official list of state PACs identified this group's address as Bank of the

It seems only one other Fulbright & Jaworski attorney works on PAC business, and he was out of town too. Surely, though, any of the firm's partners could provide this basic information? No partner was at the office, she said, it being 4:30 on a Friday and all. Might we get Mr. Martin's home number then? "It's in the phone book," she replied. On the weekend, the maid at Martin's home said that he had gone to a football game, but would return the call. He never did.

The experience proves the wisdom of the old adage, "Never ask a lawyer a straight question." A check of secondary sources later confirmed what Martin could have told us—that SPAC is an entity created by and for Fulbright & Jaworski. But perhaps we should have

Political Intelligence

Thanks a lot for your help

● One of the better entertainments of the marathon 1978 election year was a jig Howard Jarvis danced in Houston. Jarvis is the boisterous Republican legislator from California who was the leading proponent of Proposition 13, and his blessing has been devoutly sought this year by hundreds of political candidates trying to get up on the crest of the tax-cut wave. A week before the elec-

tion, Jarvis appeared in Houston and surprisingly endorsed Democratic congressman Bob Gammage over his Republican opponent, Ron Paul. Paul had been telling voters he was a virtual tightwad with tax money while Gammage was a liberal spender.

Reporters pressed Jarvis on his decision and he backed away, saying he wasn't sure that he had actually come flat-out and endorsed Gammage. But an aide confirmed that, yes, Jarvis had done so. Paul's camp, meanwhile, was flab-

bergasted. The Californian countered that Paul had not bothered to return a Jarvis questionnaire about taxes, so how could he expect to be endorsed? "We sent it, we sent it!" cried Paul's staff in a telegram to Jarvis's California headquarters. Oh, well, maybe we just lost it, responded Jarvis's aides the next day. Finally, a spokesman for Jarvis told the *Houston Post* that, since they'd found the lost questionnaire, his man was issuing a "dual endorsement," adding that "we're not choosing one over the other."

Where else but Cowtown?

● U.S. Rep. Jim Wright has been thoroughly thanked for the \$4 million in federal funds Fort Worth's historical North Side has received for various restoration projects. And, considering the way the North-Siders treated their benefactor at an October appreciation event, the poor man will likely think twice before being so generous again.

It was Cowtown at its best or worst, but Cowtown at its most Cowtown, and even the House majority leader—no stranger to corn—seemed at times bewildered by the shenanigans. He was put behind the wheel of an antique car, on top of a live horse (several times), and yanked about by a motley bunch of outlaws carrying real guns shooting real blanks. Loudly and often.

The nonpartisan (of course) affair at Mule Barn Alley, sponsored by the North Side Historical Society, was free and open to the public, of whom maybe a thousand showed up. Fifty contributors were listed in the program, most of them North Side businesses, such as the Coors Distributing Company. What do you do when the only beer available is boycotted Coors, and it's free? Fort Worth lawyer Bill Schur rationalized that since the beer was free, the more consumed, the deeper the cut into company profits, and many dutifully labored to make that cut painful.

The beer and Mexican munchies made the cannons easier to bear, not to mention the piercing siren of the old-fashioned red fire-engine. Those standing in the wide center aisle were constantly threatened by tooting vehicles and real animals. Once I felt a numbing blow to the back, but it was only a passing bagpipe.

Remember, all this took place *indoors*.

Where else but Fort Worth at an event honoring a United States congressman would you hear a father reassuring his two frightened daughters, "Now stay

real close together, sweethearts, and you won't get hurt"?

And when latecomer Margaret Carter asked, "Where's the congressman?" where else but in Fort Worth could the truthful, appropriate answer be, "He rode off thataway"? Carter, a veteran of such affairs, simply said, "Hmm. I don't believe I've ever seen Jim on a horse."

Wright looked at home on horseback, but wife Betty deserved the political-wife-of-the-year award.

"Betty, you want to ride one, too?" Wright asked.

"Betty? . . . Betty? Honey, you don't have to."

But the North Side outlaws boosted reluctant Betty atop the biggest horse in the crowd, I mean, herd or flock or however they come, and she bravely rode down that treacherous center aisle.

The last half of the evening was devoted to culture, and the honoree and his wife were treated to the Ballet Folklorico dancing aptly and at length, Marisa Val-

deras, wife of District Court Judge Harold Valderas, doing a not-quite-flamenco number, the spittin' image of Amy Carter jiggling an Irish jig, a piper piping, dancing Greeks, Commissioner B. D. Griffin and the Democats, and a re-enactment of the Civil War.

Never have so many grown-ups put on costumes to gather together in one place. Sunbonnets, long, "goin' West" dresses, Indian feathers and uniforms from every war. City councilwoman Shirley Jackson came in conservative denim, while former State Senate candidate Jim Lane donned his Tarrant County Sheriff's Posse uniform, which naturally made the youthful-appearing Lane indistinguishable from the dozens of Boy Scouts attending.

Wright came in cowboy disguise, too, but everyone knew he was really Santa Claus.

Thank goodness the Longbranch Saloon was a short escape away.

—Sheila Taylor

Jim and Betty Wright at their Cowtown blowout



Mary Kerwin

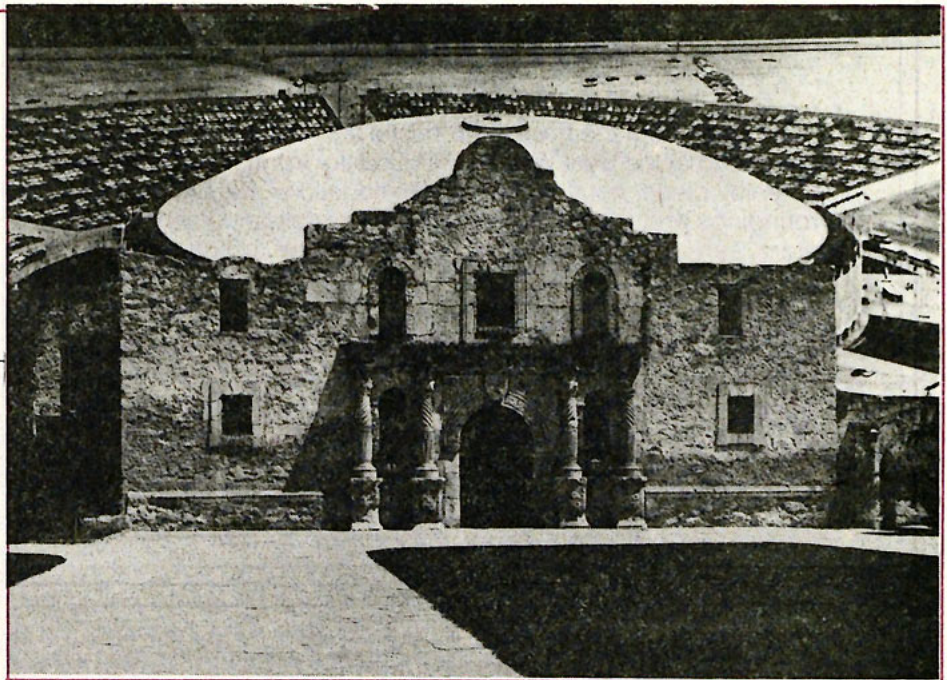
Thanks again

● *The New York Times* reports that Howard Jarvis contributed to 138 congressional campaigns, all but three of which got a paltry \$100, less than a week before the election. Two got a slightly more generous \$250, and the other exception received \$1,000. Who was the big winner? Loser Nick Gearhart, the perennial GOP opponent of Houston Congressman Bob Eckhardt.

Forget this Alamo

● To go with its \$10,000 phony Mexican Declaration of Independence (*Obs.*, Nov. 17), the University of Texas has another white elephant—a model of the Alamo with a spurious dome. On display in UT's Texas Memorial Museum since 1937, the model was supposed to show the Alamo as it looked before Santa Anna blasted it to smithereens.

But recently an alert museum patron noticed that none of the museum's pictures of the Alamo show a dome. The curator, William G. Reeder, says the Alamo may in fact have had one when



William B. Travis and his men took refuge there. He recalls that someone read somewhere about Travis's blasting down a dome and hauling Texas cannon to the roof by way of the rubble. He's not sure of that, though. "It's hard to tell about old buildings," Reeder says. "Even if

you find a drawing, you can't be sure whether it was drawn on the spot or from someone's fanciful memory." But pending "labeling and design verification," the model has been quietly withdrawn from display.

—Pauline Edwards

The old shell game

● The electric companies and their state regulator, the Public Utility Commission, have just made a startling discovery: the poor and the elderly in Texas are having a hard time paying their utility bills!

Having learned this fact from a PUC staff study that has been more than a year in preparation, the companies and the government agency all agreed that something ought to be done about it. So they have called on the Legislature to approve a whole new welfare program to help these folks pay their electric bills, which are among the highest in the country. Does this mean that the state's taxpayers would give money to the poor? No, under the proposal, taxpayers would give direct grants to subsidize them for that part of the monthly bills that poor folks can't afford to pay.

Instead of creating a new bureaucracy to figure and distribute the rate subsidy payments to the various utilities, a cleaner and less costly route would be to change the electric rate structure itself so that the smallest users of electricity (who happen to be the poor and elderly) would receive the cheapest rate available. This approach is called "lifeline electric rate,"

and it is working well in Arizona, California, Florida, Georgia, Michigan, New Jersey and Washington state. The lifeline pricing structure puts a graduated charge on electrical use, meaning that the heaviest users pay the highest rates.

But PUC staffers and industry spokesmen alike argued at an October 30 public hearing that the current rate structure ought not to be messed with; instead, it was their view that taxpayers should pick up the tab for the poor. "We just don't feel electric rates are the place to redress social problems," said Bill Avera, PUC's director of economic research.

Never mind that the "social problems" he mentions *are* the electric rates. A new report by Austin economic consultant Jack Hopper on 12 big electric firms in Texas shows that PUC granted \$284 million in rate increases to these utilities during 1977 and 1978, with the result that residential electricity rates rose 21 percent. Not surprisingly, the net profits of the Texas electrics also rose—from \$433 million in 1976 to \$504 million in 1977, an increase of 16 percent.

The poor, meanwhile, don't seem to want PUC's charity. More than 200 members of ACORN, a statewide or-

ganization of low and moderate income citizens, attended the October hearing and flatly opposed the proposed welfare solution to high utility rates, arguing that it would be costly and bureaucratic, as well as unfair both to the poor and the taxpayer. They contend that the only ones who would come out ahead would be the electric companies. Besides, as ACORN points out, the Legislature is never going to approve such a plan. What it amounts to is that PUC and the companies get to appear deeply concerned about the elderly and poor, while they really are doing nothing but propping up the current high rate structure.

Technically, the lifeline idea is not dead, since the PUC staff's final report still has to be submitted to the commissioners, who then make final recommendations to the Legislature. But PUC chairman George Cowden has already testified against lifeline and in favor of the welfare approach before the Senate subcommittee on consumer affairs—in fact, he gave his testimony two days before the October 30 hearing at which the public was supposedly advising the commission on the matter.

—Karen White

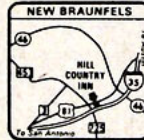
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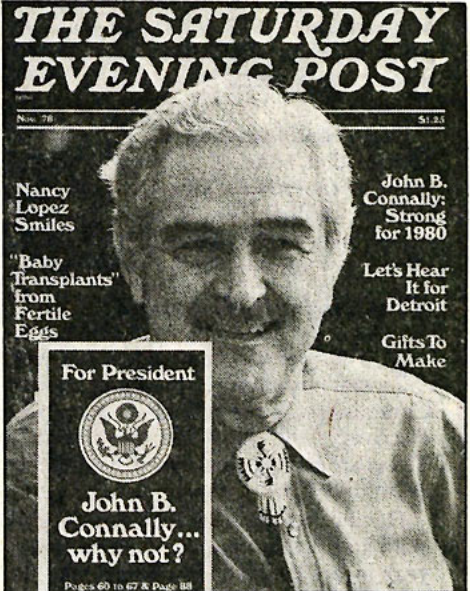
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P. I.

JC in our future?

The *Saturday Evening Post* has just asked America a ringing question: "For President: John B. Connally—why not?" The magazine then proceeds to duck the question inside its November issue with a gushing profile of its "no-nonsense guy," lots of color photos of JC looking presidential, and an editorial endorsement of his candidacy that concludes: "No matter the shape of the furniture, where John Connally sits ends up being the head of the table." We are not making this up.

It's not real easy to follow the endorsement's logic, but the editors seem to be most impressed by Connally's party-switching. They tell us that "someone is needed who can rise above loyalties to one party," and that "our next President must not be indelibly a



Democrat or a Republican," and anyway Connally "didn't abandon the Democratic party: the Democrats, by nominating superliberal Senator George McGovern, abandoned him." Connally, it seems, "holds a far different view of America from that which prevails among the incompetent liberals who put Jimmy Carter in the White House." He has, in fact, "the kind of vision one might expect of a wealthy corporation lawyer. . . ." We can't argue with that.

All of this is tucked in among the magazine's more prosaic features: a piece carrying the byline of Mickey Mouse, a feature called "So You Want to Be an Anchorwoman!" and the advice that the new in-place to get your face lifted or your tummy tucked is Tahiti. There's another editorial, too: "Let's Hear It for Detroit"—the point being

that "the American automobile and the life it represents are truly grand."

But let's get back to JC. The November 11 *New Republic* cover also has a comment on SEP's man: "The Most Dangerous Man in America." Inside, Stephen Chapman examines Connally's political philosophy, denying him the appellation conservative or liberal. Instead: "If one had to apply a label to his views, probably the best would be Corporate Socialist."

Connally, of course, is still coyly evading an outright announcement that he is available for the presidency, but the *Boston Globe* reports that he is dickering over the purchase of an ocean-view home in Hampton, New Hampshire. Meanwhile, we who know him best back here in Texas are still waiting for an answer to a variant of SEP's question: JC for President? Why?

Resolved at last

● The University of Texas Board of Regents is plagued with mind-boggling problems. The latest: which title shall be bestowed on the chief executive officer of the UT System—chancellor or president? Stumped by this one, the regents hired two consultants, Dr. John Millett, director of a Washington, D.C., educational firm, and Dr. Logan Wilson, former UT chancellor, to decide for them. Their answer: chancellor. Their fee: \$11,700.

Before you decide the system's money wasn't well spent, consider the other major pronouncement from the consultants. They say that by redefining the roles of the chancellor and the campus presidents, the entire state of Texas—not just the UT System—can cross "the threshold of opportunity to achieve academic distinction in public higher education." Just what the redefining of roles or the whole inspiring vision actually means isn't clear from the 22-page study, but the authors do conclude that crossing this threshold "will depend upon the administrative/political leadership of the UT System and upon the administrative/scholarly leadership of the University of Texas at Austin in particular."

When the study was commissioned, says Bob Hardesty, system administration spokesman, "we knew that it would cost a lot of money." But, he hastens to add, because of the consultants' objective position and since they are "two of the best educational minds in the country," the results were well worth the price.

—Donna Ng

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Sugarland, A Tale of Texas Prisons

As for the prison system itself, its purpose is to make money. Who in the Texas Establishment reaps the benefits of the enormous profits? Daryl doesn't know, but the costs of labor and the prices of food are easy to compute.

And therein lies the power of *Sugarland* and perhaps also something about little presses and the traditional novel. Foreman is not writing about a holocaust beyond the imagination. He is telling a story about this time and this place, and he tells it fair: Daryl is released, given another chance and some hope, and his two best friends escape, successfully. The end, like the beginning, makes us think of ourselves, at least of neighbors or friends.

But in between is our own present horror, a shocking story that needed to be told, a regional and contemporaneous story which is also timeless and universal.

—Max Westbrook
The Texas Observer

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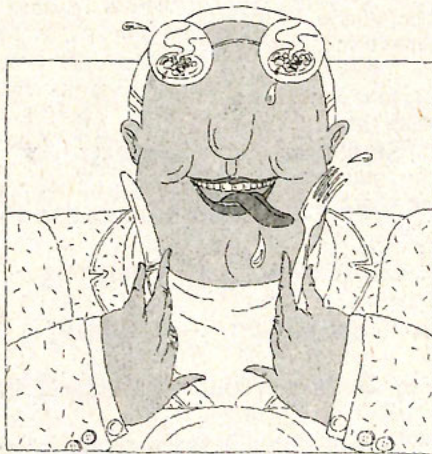
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What now?

from page 2

Starting with a bodacious lead against Clements (something like 68 percent to 19 percent), he deliberately cooled down just when he was getting up a full head of steam. Hill did not read Clements right (neither did we or anyone else) and he chose to glide down to victory on his apparently insurmountable lead, basically trying to keep Democrats interested in the campaign, but taking care not to say anything that might upset anyone. Sure enough, no one was upset; neither was anyone inspired. As a result, highly motivated Clements voters swept past yawning Democrats at the last moment, pushing their man across by a bare 20,000 votes.

No one feels worse about it than John Hill, who, I still maintain, would have been a more outspokenly progressive governor than he was a candidate. To his credit, Hill absorbed the defeat about as graciously as these things are done (compare his reaction to the peevish whining of Dolph Briscoe, for example).

A sad tale of turnout

In the end, Hill's was not a botched-up campaign at all; it was a carefully calculated loss. His deliberate, don't-rock-the-boat, we'll-win-if-we-just-hold-on general election campaign is the same formula that has won for Democratic nominees before. Indeed, his 1.16 million tally was 140,000 or so votes better than Briscoe garnered in '74, the last comparable year, and Hill managed that even with Briscoe's family and his more reactionary supporters abandoning the Democratic ship this year. And those who are quick to blame Hill's demise on Mexican-American and black turnout had better wait until the data are in—preliminary figures suggest that those boxes produced about the same or a little better turnout (around 30 percent of registered voters) than they reported for Briscoe in '74.

But 1974 and Dolph Briscoe are pathetic standards for a Texas gubernatorial candidate to judge himself by. Furthermore, it is now a losing standard, since the GOP nominee this time got some 700,000 votes more than his '74 counterpart, and Democrats had better get used to Republicans' receiving this higher-level vote from now on. Democrats had also better learn what it takes to get their own people out—a 30 percent response to a Democrat by Mexican-Americans is *terrible*, all the more so for a progressive. In fact, the total 1978 turnout in Texas is an embarrassment—Michigan, Florida, Ohio, Pennsylvania and Illinois each produced bigger votes than the Lone Star state, even though they have fewer people. In each case, however, these five states had candidates really going at each other. To go way back, John Kennedy got more Texas votes than Hill 18 years

ago, when there were half as many registered voters and a poll tax.

As you can imagine, the trendiest parlor game in Austin these days is "What if. . . ?" It goes like this:

- What if State Sen. Carlos Truan of Corpus Christi, Sen. Lloyd Doggett of Austin and U.S. Rep. Mickey Leland of Houston had been seriously challenged by Republican opponents? That would have increased the Democratic vote in three key progressive-voting areas and put Hill over, goes this line of thinking.

- What if La Raza Unida and Socialist Workers candidates had not been on the ballot? They got nearly 23,000 votes between them in the gubernatorial contest, and the assumption is that those were Hill votes.

- What if the teachers hadn't already been counting their Hill-promised pay raises? The undocumented argument here is that these key Hill supporters assumed he was a shoo-in and that at least 20,000 of them failed to get out of the house on election day.

The game is being played by all political types, but the most eager participants are such arch-conservative Democrats as railroad commissioner Mack Wallace, former LBJ and Briscoe aide George Christian, former lieutenant governor Ben Barnes (Ben Barnes!), and lame duck Dolph Briscoe, each of whom cites the election results as proof that Hill should have stuck with the tried-and-true path, running as the conservative voice of the state's moneyed Establishment. Instead, he strayed, and they say that's why 20,000 or more votes went thataway.

But these people are quibbling, missing the central point altogether: this election never should have come down to so few ballots. The problem facing Democrats is not to scrounge up another 20,000 votes, but to generate the kind of excitement that will draw 2 million more. This is not far-fetched at all. There are 8.4 million eligible voters, but only 28 percent of them (2.3 million) went to the polls this time. To me, the loudest noise of the election year was not made by the 1.8 million of those who elected Clements, but by the 3.3 million registered voters who failed to show, backed by a silent chorus of 2.7 million more Texans who were eligible but did not even bother to register. That adds up to 6 million potential voters—72 percent of us—who are unmoved by the candidates of either party.

Okay, okay, I know that we couldn't lure all voters to the polls, even with an offer of free beer. But I'm not suggesting anything like that. Just a 50 percent showing, rather than this year's 28 percent, would produce the 2 million additional voters mentioned above. I contend that this is the pool of voters Democrats should be fishing in, rather

than trying to bait some conservatives in Clements's backwater.

The fork in the road

Behind the scenes in official Austin, plots are already being hatched to move the Democratic Party to the right. Within hours after Hill conceded on November 8, Lieutenant Governor Bill Hobby had convened a meeting that included Mack Wallace, George Christian and Secretary of State Steve Oaks, and the talk there was that the energies of the party must be focused on recapturing the conservative Democrats who bolted to Clements this time and on wooing the white, suburban voters who are moving to Texas as executive employees of Northeastern and Midwestern corporations.

Hobby, now laying the groundwork for his own gubernatorial campaign in 1982, is trying to become the titular head of the party—he put out feelers on a plan to replace state party chairman Billy Goldberg (Hill's nominee for the post at this summer's party convention) with Steve Oaks, but he has been temporarily dissuaded from attempting this. Nonetheless, Hobby is going to get more involved in intra-party affairs and will try to become the official Democratic spokesman—watch for him to use his perch at the head of the State Senate for this purpose next year.

Hobby's grab for the helm will not go unchallenged. Hill has said that he's still very much in things. State Comptroller Bob Bullock has been holding meetings of his own, and this maverick officeholder could become a very important force in shaping the tone and content of the party's message during the next four years. Land Commissioner Bob Armstrong professes no gubernatorial ambitions of his own, but is probably the only man in office who speaks to all sides, and he's playing a major role in these interminable political discussions. On the Democratic right, plenty of others are putting themselves forward—Speaker Billy Clayton, new Attorney General Mark White and even Dolph ("I'm not closing any doors") Briscoe are among them.

From the scouting around that I've done, everyone except Bullock, Armstrong and Hill is talking nonsense. Actually, it's worse than that—the knee-jerk plan to plunge down the rightward path is a disastrous course for the Democratic Party, a blueprint to hold down the turnout and elect Republicans.

The only way for Democrats to reassert their dominance is to stand up and run as full-fledged, unapologetic Democrats, and run flat-out. Those who are talking about running to the right are running scared, so scared of 14 percent of the electorate that they are prepared to act like Republicans, abandoning the party's long-term constituency. Democrats are never going to produce a strong

vote by trying to out-right Republicans, nor can they sneak by anymore merely by being inoffensive, as Hill, Bob Krueger and Price Daniel Jr. demonstrated this year. Republicans are not afraid to stand up for what they believe in and for the interests they represent, and Democrats will do better if they are willing to stand as tall.

Plain speaking

The truth is, those pushing the party to the right are afraid of the people, afraid to say anything controversial. They fail to see that the mainstream of their party is now progressive. I am *not* saying that rank-and-file Democrats have suddenly become liberal, pro-government free-spenders or any of the other fear-mongering labels that right-wingers try to attach to anyone more moderate than Dolph Briscoe, but I am saying that average Texans are progressive-minded, common-sense human beings who would respond enthusiastically to candidates willing to speak the truth, especially on pocketbook issues.

Quick, name any burning issue developed by a statewide Democratic candidate this year. Ten years of Dolph? Tower's absentee record? What? It's true that these are fine points that will score with those inclined to vote anyway, but they are not exactly rallying cries for the masses. The issue most talked-about by several Democratic candidates was this winner: "Yankees are not paying as much as Texans for natural gas, which is not fair, so therefore Yankees should be made to pay more."

Democrats can do better than this. Huey Long was from another state and time, but he had a political passion and courage that Democrats in Texas might consider adopting as their own—here is the way a former opponent of Long's described it in T. Harry Williams's biography of the Louisiana populist:

"He would go into a community that was strange to him. He went to Hammond where my father [J. Y. Sanders] lived, and he knew that my father wasn't supporting him. He would get up on the stump and attack Sanders. He would go to the hotel and those who didn't like Sanders would come around and talk to him. That was the nucleus of his organization right there. He did that all over the state and attacked the biggest figures opposed to him. He went to Alexandria and jumped on George Bolton, a big financial fellow. It was blasphemy to attack Bolton in Alexandria. Well, he knew that Bolton wasn't ever going to support him. He wanted to get the anti-Bolton vote.

It's "the anti-Bolton vote" that is not turning out today in Texas, and it won't until some Democrats get blasphemous. That's where the future of the party lies; the people of Texas are way ahead of most politicians, and there's a huge pool of voters waiting for candidates who will come speak sense to them. —J.H.

Election sketches

Any wise guys at the neighborhood bar who tell you now that they knew all along that Clements would beat Hill should be strapped to their chairs, have earphones put on their heads, and be plugged into a four-hour replay of Mark White's 30-second media spots.

How flatfooted were we at the *Observer*? Well, we now have a file filled with drawings and photos of John Hill for future use, but we have none of the new governor. In fact, we forced our last caricature of Bill Clements into our pre-election issue (November 3) because we figured that would be our last chance to use it.

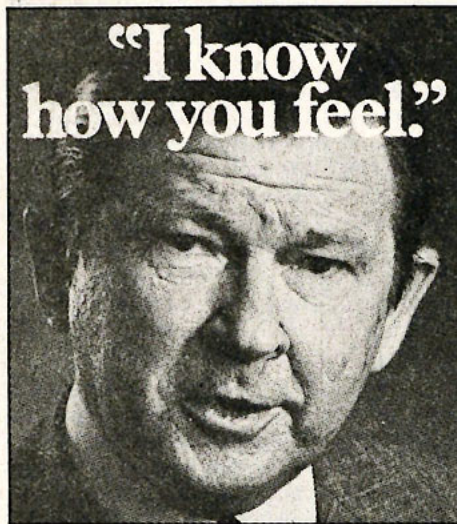
Because our publication schedule makes this election issue less than timely, readers have undoubtedly wolfed down more "campaign '78" results already than they can stomach, so in a spirit of mercy we offer here only a quick rundown of a few races, interspersed with a few tidbits we picked up. We considered trying something comprehensive, such as listing all the men who now will hold statewide office, but why ruin everyone's holiday?

The Congress

There is good and bad news here. The best news is the election of Mickey Leland in Houston to the seat being vacated by Barbara Jordan and the election of Martin Frost in the 24th district that meanders across Dallas, Arlington and Fort Worth. Important defensive battles were won by Bob Eckhardt in Houston, who took 62 percent of the vote this time up, and by Dallas's Jim Mattox, who "swept" his opponent by a harrowing 842 votes. Out in West Texas, two well-regarded Democrats—conservative Charles Stenholm of Stamford and moderate Kent Hance of Lubbock—won seats against sharp challenges by very conservative Republicans.

So much for upbeat reporting. By something less than 14,000 votes, John Tower is back in the saddle, having survived a stouthearted, 24-month-long challenge by U.S. Rep. Bob Krueger, who stood before still-hopeful supporters in the wee hours of election night and offered them what surely must be the only Shakespearean analysis ever made of a Texas political race: "Thou hast ever been one that has taken the buffets and rewards of fortune with equal thanks," Krueger quoted from *Hamlet*, adding, "Give me that man that is not passion's slave and I will wear him in my heart of hearts." Like Hill, Krueger was buffeted by a low turnout of Democratic voters—Tower was elected by about 13 percent of eligible Texans, though this fact did not deter him from claiming "a clear vote of confidence."

In the race for the seat being vacated by Bob Krueger, Kerrville Republican Tom Loeffler surprisingly swamped moderate Democrat Nelson Wolff. Republicans picked up another seat in Houston, where arch-conservative obstetrician Ron Paul took on moderate Democrat Bob Gammage for what seems like the umpteenth time, and bested him this round by about 6,000 votes. In three other races for open seats, conservative Democrats won: Marvin Leath from Waco will replace the retiring Bob Poage, Phil Gramm of College Station will take the seat of retiring Tiger



Teague, and Joe Wyatt of Victoria will replace John Young, whom he defeated last spring in a run-off.

Help

Two former Texas governors are serving Bill Clements as "transition advisers": John Connally and Preston Smith. Former Governor Smith, who ran a distant third to Hill and Briscoe in a gubernatorial comeback bid last spring, implied in post-election interviews that he had helped Clements over Hill in the general election.

Constitutional amendments

The "tax relief" amendment was about as popular as anything or anybody on the ballot, winning approval from a decisive 84 percent of the voters. If, however, there seems to be an unseemly wait before you receive a tax relief check from the government, call Billy Clayton in Austin or Dolph Briscoe in Uvalde.

Only two of the nine ballot propositions failed, including the one that was pushed by the Texas Industrial Commission (*Obs.*, Oct. 6). It would have authorized cities to issue bonds to finance construction of industrial

facilities to lure Northern corporations to Texas. The other losing proposition would have allowed cities to issue bonds to finance urban renewal projects.

A successful amendment that might prove particularly beneficial in coming years allows the Legislature to exempt solar or wind-powered energy devices from taxation. Sixty-five percent of the voters approved it.

They also serve who only sit and wait

Guess which Democrat received the very first commitment of a government job from the Republican governor-elect? Hugh Yantis, the former chairman of the Insurance Board and former director of the Water Quality Board. Clements's commitment apparently is to keep Yantis on as director of the Natural Resources Council, a job he got this summer from his very close buddy, Dolph.

The Legislature

If you liked the special session, you'll enjoy the next Legislature, for there is very little change—only 24 new House members and three new senators are due for the January 9 swearing-in. Two surprises were the defeats of veteran Democratic representatives Tom Schieffer of Fort Worth and Joe Allen of Baytown. On the Senate side, the brightest spot is the election of San Antonian Bob Vale, a former House member who won the Senate seat currently occupied by arch-conservative Frank Lombardino.

Two-party state?

The pundits have been quick to hail Clements's victory as the harbinger of a two-party Texas, which it may prove to be, but there are other equally important signs of Republican strength. Bexar County, for example, has elected the first Republican ever to serve as district clerk, and for the first time in a century, Republicans have been elected to two district courts and two county courts in Dallas. The GOP gained only three seats in the Legislature, but they came close in races for a dozen more. The party also picked up other county offices around the state. And there is one little-noted result of Clements's win: for the next four years, at least, Republican candidates will be listed first on the ballot, a position that can be important in close, local races. The reason for their new prominence is that some time ago the Democratic-dominated Legislature, secure in the belief that the statehouse would be Democratic in perpetuity, ordained that pride of place on the ballot would go to the nominees of "the party of the governor."
—Eds.

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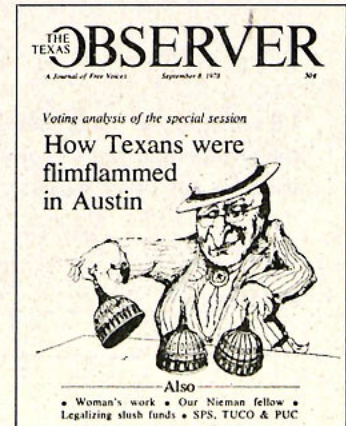
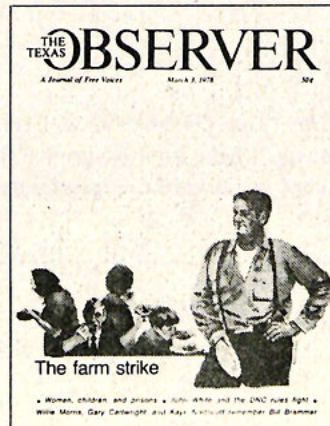
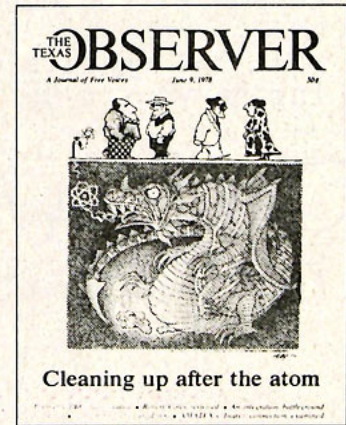
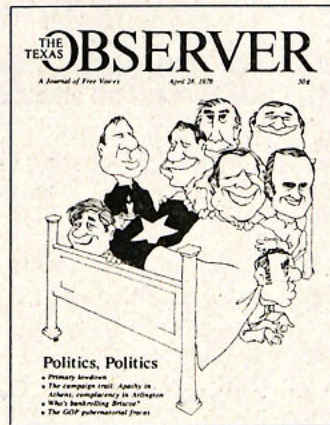
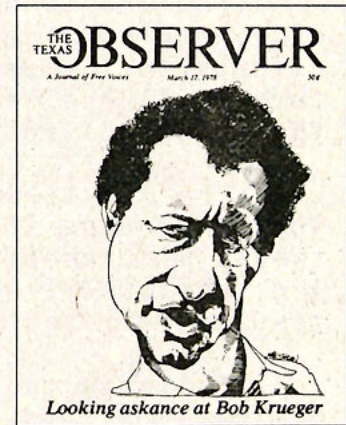
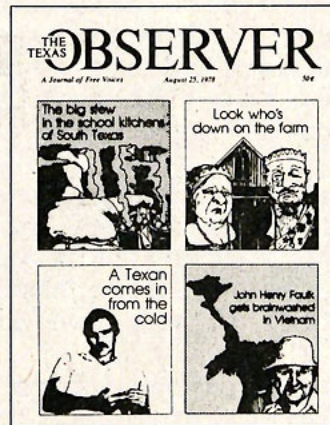
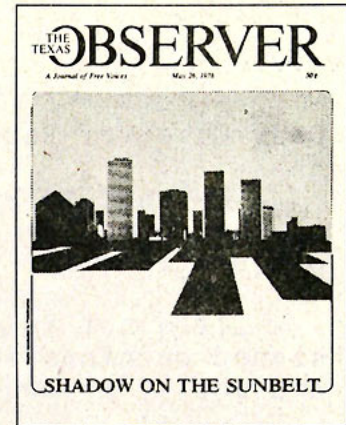
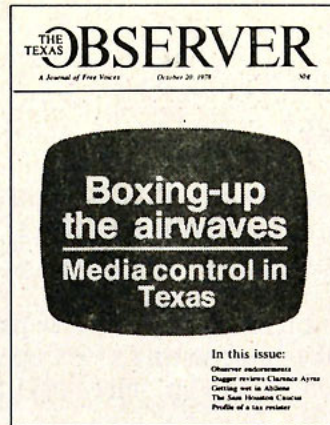
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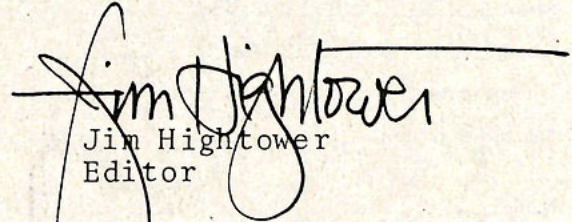
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The questionnaire is four pages long, which is why we didn't just reproduce it in this issue; and it might require as much as twenty minutes of your time. But your answers are important. And, obviously, we need a large number of respondents to make the results representative of who you are and what you are thinking.

Although the postage-paid form attached to this issue is designed for a different purpose, feel free to use it to send the coupon if you don't have your own envelope handy.

The results will be reported in a later issue. We're counting on you to be included in that tabulation. Thanks.


Cliff Clifton
Business Manager


Jim Hightower
Editor

I'll volunteer to participate in *The Texas Observer* reader survey. I understand that all I am expected to do is answer the written questions anonymously. I have your assurance that no one will call on me, and that my name will not be used for any other purpose except to forward the questionnaire to me at the address shown below.

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The amendment was beaten back on August 10 by a vote of 193 to 225, and all but four Texans blew the chance to vote for it.

2 Social security tax credit

Another August 10 effort to lessen the tax burden on lower-income Americans came on a procedural vote. A 1979 hike in social security taxes was already on the books, and they are about as regressive as taxes come. They affect only wage earners (interest and dividend income and capital gains are all exempt), they're levied at a flat rate, and they're figured only on a worker's first \$17,700 in income. The burden thus falls disproportionately on the poor and lower middle class.

Rep. Richard Gephardt (D-Missouri) proposed a new tax credit equal to 5 percent of social security taxes for 1979 and 1980, but the rules committee, on an 8-to-7 vote, refused to allow floor consideration of his amendment (Texan John Young was one of the eight). House progressives then took the fight to the floor with an attempt to amend the rules committee resolution governing debate on the tax bill, so as to allow a vote on Gephardt's amendment.

They lost when Illinois Democrat Morgan Murphy's motion to order the previous question passed 284 to 130. Stars to the four Texas stalwarts who voted against cutting off debate.

3 Indexing capital gains

On that August day when the House was methodically killing off tax bill amendments that would have mitigated its regressive features, members passed a provision that would worsen the

already inequitable capital gains provisions. Originally proposed in committee by Republican Texan Bill Archer, the amendment sought to index the capital gains tax to the rate of inflation beginning in 1980.

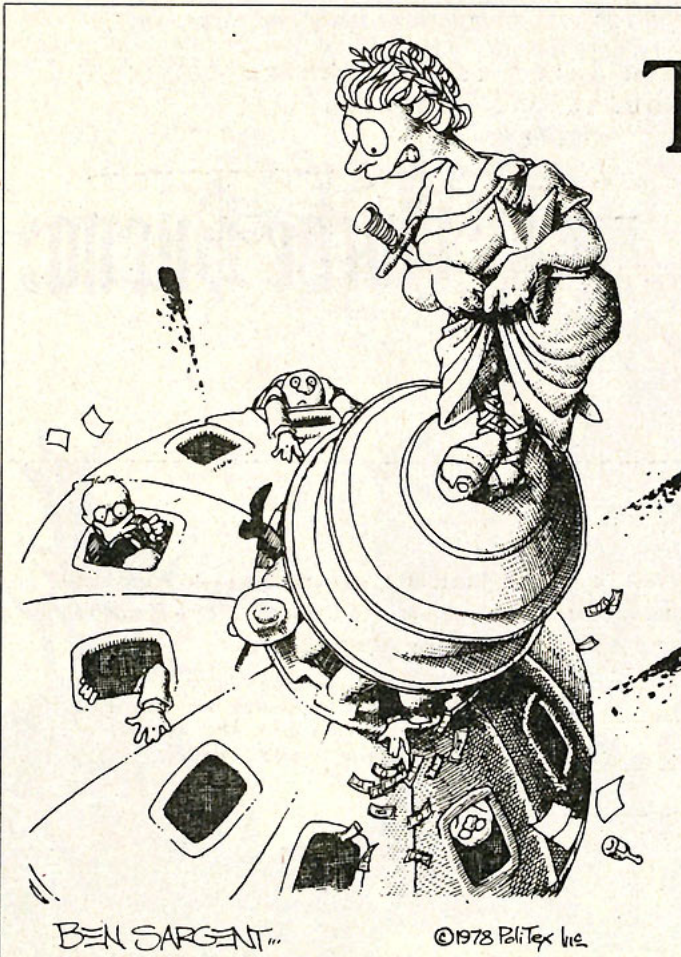
But arguments that indexing this tax without indexing other taxes would make tax treatment of the wealthy even more preferential than it already is fell on deaf ears. Reminders that the Archer amendment's benefits would accrue only to a few large investors at great expense to the rest of the taxpayers also failed to sway the House.

The amendment passed 249 to 167 (though the conference committee later dropped it from the final bill). *Observer* stars to the four Texans who voted against it.

4 Americans abroad

Still another tax break for a small group would now be on the books, had the House had its way. It passed the Overseas Income Taxation Act, reversing a 1976 clamp-down on special tax treatment of income earned by Americans living abroad and replacing it with rules even more generous than those in effect before the '76 reform. U.S. corporations with overseas operations were primarily behind this measure. The House bill restored a \$20,000 exclusion from taxation of income earned abroad and allowed a U.S. citizen to claim deductions for housing and education costs, for a cost-of-living adjustment, and for one trip home per year. According to the joint committee on taxation, this House proposal would have cost the Treasury \$545 million to help out 140,000 Americans.

The vote came September 25 on a motion by Rep. Al Ullman (D-Oregon) to suspend the rules and pass the bill. It carried 282 to 94, a margin comfortably greater than the two-thirds majority needed for approval. A no vote would have merited an *Observer* star, but no Texan earned one. This bill later died for lack of Senate action.



Texas Politics

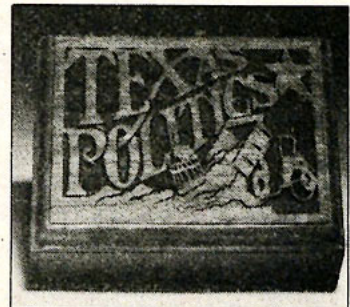
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5 Tuition tax credit

Both houses of Congress defied administration wishes by voting a tax credit for college tuition costs. But Rep. Charles Vanik (D-Ohio) wanted to go further: he offered an amendment to extend the proposed tax credit to private elementary and secondary school tuition. Though warned that the proposal would greatly weaken the public schools and bolster the fortunes of private segregationist academies, and would probably be held unconstitutional anyway, the House didn't listen.

On June 1, members passed the Vanik amendment, 209 to 194. Stars to the 17 Texans who voted against this special-interest tax credit.

As things turned out, it was all for nought. The Senate refused to go along (see Senate Vote #8), and the House proceeded to vote down the whole tuition tax credit bill rather than accept it without including elementary and secondary schools. The outcome was helped along by the threat of a presidential veto, and the Congress passed instead a version of what Carter had wanted all along—an expanded program of federal student loans.

6 Natural gas pricing

The energy bill—a hodgepodge of legislation finally embraced by the Carter administration but bearing little resemblance to what the President asked for in the spring of 1977—will affect

Americans' pocketbooks at least as much as the tax bill. The package contains, or once contained, numerous tax incentives and features a compromise on natural gas pricing that no one claims will work very well, no one likes very much, and no one can predict the effects of. It creates a complicated formula by which natural gas price ceilings will gradually rise until 1985, when prices will be deregulated altogether.

The House and Senate passed widely differing versions of an energy bill last year and a conference committee haggled over a compromise until August 1978—at which point the House leadership waited for the Senate to act, then tried to shove it down members' throats in one piece. They were given only two chances to vote on energy this year—on an October 13 procedural vote and on final passage two days later.

The only chance to consider the Natural Gas Policy Act by itself depended on the first vote, which was on a proposed rule to require the House to vote yes or no on all five energy bills as a package. The bill's opponents joined battle in an ad hoc alliance of those who favored tighter controls on the gas industry and die-hard deregulators who wanted free-market gas *now*; both groups saw the compromise as a monstrosity and wanted a shot at writing a different bill next year.

The administration staked its prestige on this one, calling in all chits—and won by a vote of 207 to 206. Stars to the unlikely coalition of Texas recalcitrants who voted against the all-or-nothing rule in an effort to fight again another day on the merits of the issue. □

Feliz Navidad from Dos Equis

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Dialogue

Free enterprise

I read Matthew Lyon's article "And now The Word from our sponsor" (*Obs.*, Nov. 3) while in the middle of William E. Simon's *A Time for Truth*. Besides the contradictory nature of these two, I have, for the better part of a year now, been trying to write a novel which portrays the very things that Lyon speaks of.

Lyon is right. Of that there is no doubt.

I was a teacher and football coach for some 22 years before I realized that everything I believed was diametrically opposed to those views held by the vast majority of school administrators and boards of education.

I quit.

Now I am the major stockholder of a very modest corporation that I created with my own hands, funds and ingenuity. I feel that I can speak to both topics, the schools and the corporations. Still I am confused. The confusion stems from my feeling of obligation to humankind on the one hand and my full knowledge that I must make a living on the other.

There is a much-used, though true, cliché which says: "Freedom is not free, free men are not equal, and equal men are not free." Free enterprise is not free either and the only alternative seems to be some sort of planned economy.

I don't want anyone planning my life for me, whether it be school boards, governmental agencies, or corporate management; nor do I want to plan anyone else's life. I am against any form of organization that gets so big that it is unmanageable. In that statement I include chambers of commerce (I am not a member), Rotary clubs (I am not a member), Little Leagues (I am not a member), and the AFL-CIO (I am not a member).

I was a member of the Texas Federation of Teachers and the Texas State Teachers Association. I am no longer a member of either. I have, in short, become disconcerted with joining. I do belong to the Democratic Party. I have lived through three wars, McCarthyism, FDR, Richard Nixon, and Watergate, and it has only served to confuse me further. I recognize the pitiful ignorance that I wallow in and the even more pitiful effort I made today when I voted for every Democrat on the slate.

There was a time when I was an ultra-liberal Democrat; I believed that Harry Truman, Ralph Yarborough and Adlai Stevenson were the enlightened hope of mankind. I no longer believe that. I find

precious little to believe.

I believe that all men lie. I believe that men are self-serving and greedy. I believe that the rank and file of the AFL-CIO are greedy and self-serving as are the corporate managers that Lyon so graphically proves in his article.

I ask myself over and over: "Is this the American Dream realized?" The answer I invariably arrive at frightens me. The answer is always yes. We have reached our destination. One of my old football coaches told me, "You either get better or you get worse, you can't stay the same." I think he was right.

I sincerely want someone to prove to me that we are getting better.

Neal Morgan
Nederland

Strip mine safety

Before Texans get too excited about new jobs at Shell Oil's Milam County coal strip mine, they should take a closer look at the death and injury statistics reported by company spokesman E. M. Munger (*Obs.*, Oct. 6). Sure enough, fewer people are killed or injured at surface coalmines than at underground operations. But that's because fewer people work at strip mines than underground. A comparison of fatality rates, deaths per million man-hours worked, show that a strip coalminer stands almost as good a chance of dying on the job as an underground miner. For the years 1974-77, the fatal accident rate amounted to .42 for underground mines and .36 for strip jobs. And, in fact, in 1974 and '75, the fatality rate for surface workers was higher than for underground coalminers. Besides, to have a better safety record than underground coalmining, the most dangerous occupation in the country, sure ain't saying much.

Most of the 120 miners who are injured each day now live in the hills and hollows of the Eastern coalfields. But the mines' owners are the same folks who control the rest of the energy industry in the country. The largest landowner in Appalachia, for example, is Continental Oil, and four of the top five coal producers in West Virginia are primarily oil concerns. The hundreds of thousands of coalmining families in the East who have suffered a death or disabling injury in the mines would probably ask Shell's Munger why coal digging will be any different for the workers when it comes to Texas.

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Louisville, Kentucky

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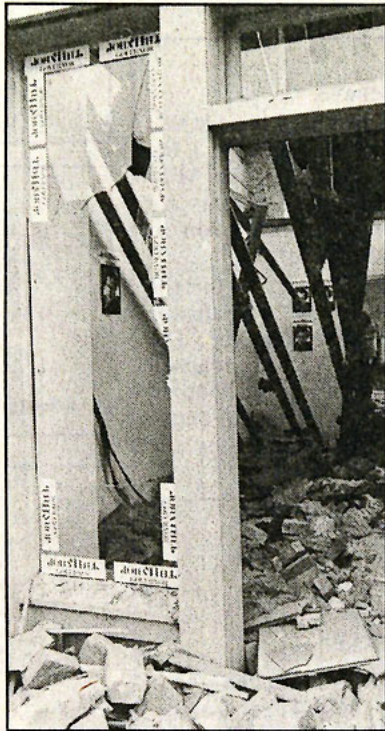


Dec. 1-2 / Fri.-Sat. / Austin: The Texas Senate's subcommittee on rural health care services meets again to seek public comment on improving health care in rural areas and to study the implementation of the new Rural Health Clinic Services Act. From 9 a.m. to 5 p.m., on the Senate floor. Information: Sen. Carlos Truan (512) 475-4279.

Dec. 2 / Sat. / Austin: The water conservation committee of the local Sierra Club meets. All interested parties welcome. Information: Natalie McClendon (512) 478-1264.

The U.S. Department of Energy has extended the period for public comment on a proposed nuclear waste management program to **Dec. 4, 1978**. Comments should be sent to: Interagency Review Group on Nuclear Waste Management, Room 8137, 20 Massachusetts Avenue, N.W., Washington, D.C. 20545. Information: Gene Campbell (214) 749-7621.

Dec. 5-6 / Tues.-Wed. / Houston: The Community Nutrition Institute invites all to a workshop on the Texas food stamp program and the new food stamp law. No fee. At the Executive Red Carpet Inn, 4020 Southwest Freeway at



John Spragens Jr.

Weslayan. Information: Zy Weinberg (713) 623-4720.

Dec. 6-8 / Wed.-Fri. / Austin: An environmental legislation conference, sponsored by a coalition of

statewide environmentalist groups, discusses issues likely to be of importance during the 66th legislative session. \$30 registration fee. A few topics on the agenda: superport plans, disposal of radioactive wastes, an environmental policy for Texas. Information: Bobette Higgins (817) 566-3424; or write NT Box 5068, Denton 76203.

Dec. 6 / Wed. / Austin: Environmental groups put on a free workshop on resources recovery and litter reduction. From 9 a.m. to 4:30 p.m. at AFL-CIO headquarters, 1106 Lavaca. Information: Bobette Higgins (817) 566-3424.

Dec. 7 / Tues. / Houston: The area Sierra Club meets to hear Allan Mueller, U.S. Fish and Wildlife Service biologist, discuss the Harris County flood control program and its detrimental effects on wildlife habitats. At 7:30 p.m. in the children's zoo auditorium in Hermann Park. All are invited.

Dec. 7 / Thurs. / Austin: Amnesty International welcomes new people to its monthly meeting. At 8 p.m. in the Texas Union, Room

3.116. Information: John Hollrah (512) 476-1341.

Dec. 7-8 / Thurs.-Fri. / Dallas: The University of Texas Law School and Texas A&M host a conference on agriculture and the law. Information: Byron Fullerton (512) 471-5151.

Dec. 7-9 / Thurs.-Sat. / Memphis, Tenn.: The Democratic Party regroups at its mid-term mini-convention, billed as "a national policy conference." Observers welcome. Information: (512) 478-8746.

Dec. 14-15 / Thurs.-Fri. / Washington, D.C.: The Federal Trade Commission hosts a public symposium on media concentration "to exchange ideas on competitive patterns and economic concentration in the media." At the Washington Hilton. Call or write Karen Healy at the FTC, 425 13th Street, N.W., Suite 632, Washington, D.C.; (202) 724-1321.

Dec. 15 / Fri. / Austin: The Texas Coastal and Marine Council meets at 9 a.m. in the Lieutenant Governor's Committee Room, State Capitol. Information: (512) 475-5849.

—Vicki Vaughan

This calendar is an information service for *Observer* readers. Notices must reach the *Observer* at least three weeks before the event.

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