STUART LONG, Editor

REPORT

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SOME US Treasury agents have been interviewing some legislators about various rumors. Democrats countered immediately with rumors that one of the agents was wearing a Nixon tie clasp. Sen. Mauzy called a news conference after he was interviewed by Agent R.R. Caldwell. One line was a very interesting one. It was whether Mauzy had ever heard of any bribery or corruption in connection with the appointment of members of the Railroad Cmn. What makes that interesting is that former Gov. Connally appointed two of the present Commission members before he became Secy of the Treasury. Mauzy was asked about creation of water districts, bank charters, University of Texas bidding procedures, State employe insurance bidding. Another legislator said the agent seemed to be asking questions from a recent political novel, but actually, the Federals have sent in their task force on corruption which has been working in Louisiana. So Federal investigators, who dominated the '71 session, could be around looking for a repeat performance.

SENATORS got little done in the way of floor action. None of Speaker Daniel's "reform" bills beyond constitutional revision has come up for Senate floor action. Sen. Blanchard, appointed by Lt Gov. Hobby to the Property Tax Study Cmte, was promptly named its chairman. Charles Kirkham, Dallas securities dealer who had been chairman since Sen. Bates resigned, defended the committee's work and the \$297,323 it has spent in working up many proposed changes in the tax laws. Bates came to defend the committee, too, saying they have proposals to collect delinquent tax bills, but are being resisted by critics of reform. Blanchard said he feels the committee may have produced some things worth looking at, so he'd like to wait a couple of weeks before deciding whether to recommend its abolition. Senate State Affairs Cmte has already approved SB 67, Traeger, to abolish it. It also approved SJR 8, Gammage, \$15,000 legislative salaries and annual sessions, and SB 153, Harris, to require bonds of sales taxpayers until they show a record of paying properly. There have been \$12,171,658 in delinquencies reported to the Atty General in a year's time.

OVER 900 nominations have come in for the Constitutional Revision Cmn and efforts are underway to trim the list to a smaller pool out of which the 37 commission members will be picked. But the second meeting of the six top State officials charged with the picking ended without any decision other than to come back and find some way to start paring. Speaker Daniel wanted each member to submit 40-50 choices and start from there;

Lt. Gov. Hobby and Atty Gen. Hill didn't like that. Chief Justice Greenhill wants closed meetings; Hill says closed meetings can be held but \underline{no} decisions can be taken in them. The only area of agreement seems to be that the commission better be picked soon, and had better expect to spend a full six months working.

ALTHOUGH the Senate adopted a resolution asking him not to pursue the appeal, Atty Gen. Hill was planning to be in Washington Monday to argue the State's case on legislative redistricting. Hill's chief interest appears to be getting a clear guideline on how much deviation in legislative districts is permissible. Hill told the Water Conservation Assn he has asked his staff to prepare a petition aimed at getting release of pollution control funds designated for Texas by Congress but impounded by Pres. Nixon... In opinions, Hill ruled Grayson County commissioners can amend their budget and give county employes a blanket salary increase but they can't make it retroactive; exemption from ad valorem taxes on homesteads of 65-year-olds applies regardless of the age of other persons living there; and State employes can serve on river authorities...Hill is being asked by the House Criminal Jurisprudence Cmte to rule on the constitutionality of the various death penalty bills ... Thousands of letters on the Supreme Court abortion suit decision are piling up in Hill's office.

RAILROAD Cmn member Byron Tunnell and Briscoe aide Charles Purnell went to Houston to urge the Dept of Interior to lease 129 Federal mineral tracts in the Gulf to help ease energy shortages ... Highway Dept officials say Texas paid some \$20,000,000 into the Federal Highway Trust Fund in January but got back only \$2,000,000, so highway construction contracts are being let using principally State funds. No new Federal highway bill is expected before July...Comptroller Calvert reported a 1-1-73 deficit of \$160,225,495 in the General Revenue Fund which increased in January to \$227,811,777...The Offshore Terminal Cmn met and said it will begin hunting a superport site right away...Plans to survey minority-owed businesses were announced by the Industrial Cmn's Office of Minority Business Enterprises. OMBE says there were 37,284 such businesses in '70; it wants to see what's happened since...Ag. Cmr White blasted cutbacks in Federal farm programs and recommendations of the National Water Cmm, saying the result will be depopulation of rural areas and food shortages... North Texas State U. and Texas Woman's U. asked a Coordinating Board advisory committee for medical programs, while UT-Austin Pres. Stephen Spurr recommended against implementing a medical school in Austin which had been planned to operate in conjunction with the Temple VA Hospital. A&M also reported it would like to set up an experimental medical program with Baylor. But the committee indicated it wants to develop some overall policy on medical schools before acting on any requests.

WORLD heavyweight boxing champion George Foreman spoke to a joint session--then the House went 15 rounds on HB 88, comparative negligence. Rep. Nugent took the match handily, defeating numerous amendments, inc-

luding an effort by Insurance Cmte Chmn Bynum to put the "guest statute" back in the measure. Bynum attached the bill as "The Lawyers Guaranteed Income Act of 1973" but received little support. A similar bill passed the Legislature in '71 but was vetoed by Gov. Smith who said it would raise insurance rates... Another reform bill, HB 8, requiring disclosure of contributions and spending in races for Speaker, was diluted slightly and passed 129-4 with eight members voting "present," including Clayton, Doyle, Calhoun, Nugent, Williamson and Heatly. Chief sponsor Joe Allen fought off an amendment by Rep. Doran to delete requirements that expenditures over \$25 be reported, but later agreed to an amendment allowing up to \$100 to be spent and not reported. Reps Howard and Craddick added language prohibiting corporations, groups or associations from making contributions or loans to Speaker candidates; Doyle added an amendment requiring an indictment rather than a complaint in order to prosecute, after Howard amended the bill to make violation of it a misdemeanor instead of a felony.

OTHER bills passed by the House included HB 147, Truan, statewide adult basic education (funding will have to come later); HB 96, Williams, tax exemptions for volunteer fire department equipment; HB 106, Tupper, right turns on red lights after stopping; HB 130, Cobb, keeping jury panel members excused on one case on hand for another case; and HB 262, Sutton, allowing interracial adoptions... Three bills by Rep. Weddington, allowing doctors to treat minors for prevention of pregnancy, holding physicians not liable for damages to the spouse of anyone undergoing a voluntary sterilization operation, and allowing doctors to perform abortions on girls at age 16 without parental consent, resulted in an all-day hearing by the House Human Resources Cmte. The bills were sent to a subcmte headed by Rep. Eddie Bernice Johnson... Mayors Louie Welch of Houston and Wes Wise of Dallas opposed legislation by Rep. Pentony requiring singlemember city council districts in cities over 600,000...Texas Civil Liberties Union Exec. Dir Wayne Oakes testified against death penalty bills in the Jurisprudence Cmte...Coon hunters came to protest a bill by Rep. Grant to increase penalties for hunting at night, but were assured it did not apply to them...Rep. Agnich's "Endangered Species Act," vetoed in '71 by Gov. Smith, is in subcmte...Rep. Hoestenbach's bill making UT-Permian Basin a four-year school is up for a vote Monday in the House.

NEW legislation includes HB 511 Hilliard-Clayton, Board of Landscape Irrigation; HB 515, Rodriguez, outlawing fireworks sales; HBs 518-524, Truan, landlord-tenant rights and obligations; HB 525, Finney et al, Border Development Cmn; HB 577, Kaster, requiring all State boards and commissions to have at least one public member; HB 590, allowing county executive committees of political parties to pick the county chairman; HCR 49, Grant, suggesting public employes work harder on LBJ's birthday rather than taking the day as a holiday; HB 611, Doran, another daylight savings time referendum, on the November '74 ballot; HB 646, Carl Parker, Office of Environmental Quality; SB 301, Hightower, two new schools for the deaf; SBs 309-311, Harris, sales tax law changes, including monthly

payment by taxpayers owing \$750 or more and monthly payments to cities; SB 318, Mengden, penalties for welfare fraud; SB 330, Schwartz et al, Dept of Labor Relations; and SB 324, Gammage, rewards by counties for evidence against polluters.

BLAMING the Nixon administration, the Board of Public Welfare approved a '74 program needing \$361,000,000 in State funds--\$57,000,000 more than the Legislative Budget Board recommended--saying that amendments to the Social Security Act have forced the board to endanger the "no new taxes" budget urged by Gov. Briscoe. The board also agreed to take over distribution of food stamps in some counties because the Postal System has not begun distribution as planned. Welfare Cmr Raymond Vowell said cutbacks in Federal funds may result in the elimination of some programs, adding that costs to the State will be greatly increased under the new Federal amendments. Gov. Briscoe quickly called on the Research League to carry out an immediate analysis of the problems along with ways of improving the welfare system to clear up "contradictory reports." An interdepartmental force completed a two-month study of the amendments in January, but said lack of Federal guidelines made it hard to decide what to do.

STATE Democratic Chmn Calvin Guest announced appointment of 12 subcmtes and charged them with <u>unifying</u> all state party factions. Subcmtes and chairmen are Budget & Finance, Claude Brown, McCamey; Canvassing, Annie Laura Day, Brookshire; Clubs & Organizations, Mrs B. L. Nelson, Dallas; Communications & Publicity, William Courtney, Temple; Convention Sites, George Bock, Dallas; Credentials, Robert Smith, Dallas; Legal Affairs, Sam Callan, El Paso; Nominations, John Brunson, Houston; Resolutions, Mrs Sue Elsenbrook, Houston; Rules, Gordon Wynne Jr, Wills Point; Voter Registration, Mrs Wanda Britton, Gainesville; Youth Affairs, Jerry Craft, Jacksboro. Wynne called the Rules group to meet in Austin Saturday to hold hearings on <u>modifying existing party rules</u>, and invited anyone interested to attend...GOPeople will be in Austin March 16 to honor GOP legislators, with Missouri Gov. <u>Kit Bond</u> a feature speaker at the \$100 per couple affair.

TO & FRO: Houston Educational Foundation, the sucessor to the Jesuit Fathers of Houston, filed a \$13,500,000 damage suit against practically every person or company so much as named during the Sharpstown scandals. Defendants include Frank Sharp, Preston Smith, Gus Mutscher, Tommy Shannon, F.C. Schulte, Rush McGinty, Bill Heatly, Waggoner Carr, Elmer Baum, Doug Sanders, Dallas Bank & Trust Co., Fidelity Bank & Trust Co. (Dallas) Metro Bank of Dallas and Louie Welch...Congressman Kika de la Garza has introduced a bill re-incarnating the Post Office Dept...The Conference of Churches is planning an "ecumenical study-event" on abortion alternatives...Gov. Briscoe endorsed tougher laws on drinking drivers...Speaker Daniel filed reports on his race for Speaker showing he got \$50,060 in contributions and spent \$30,795...The Harris County House Delegation says it doesn't want the Houston CofC to hold so many luncheon sessions... Rusty Kelley replaces retiring House Sgt-at-Arms Walter Schaefer.