

Texas Democrats in the red

Associated Press
AUSTIN — The Texas Democratic Party has reported that it spent \$19,657 more than it took in during the first six months of this year, even though Chairman Calvin Guest says he is paring down the party deficit.

The party reported to Secretary of State Mark White in its required financial statement that it had income of \$136,728 and expenditures of \$156,385.

Fort Worth Star-Telegram correspondent Bob Bain reported Thursday that Guest, of Bryan, cancelled a news release on Wednesday that said the party had never strayed from the "black side" of the ledger during his administration.

In the release that finally came out, Guest said he had whittled the party's debt from the \$150,000 he inherited in 1972 to \$110,000.

Guest said fund-raising efforts in the 1973-76 period had raised \$433,331.

"From these profits, we've been able to conduct our ongoing party business and still make significant reductions regularly on our overall deficit. I feel a keen responsibility to keep financial affairs in order and operate on a sound fiscal basis," Guest said.

John Henry Tatum of Lufkin has made party finances a key issue in his campaign against Guest for the chairmanship.

Bain's report said a member of the state party staff told him the original release saying Guest had kept the party in the black was withdrawn after the Star-Telegram questioned that assertion.

Joe Bishop, manager of Guest's re-election campaign, said the initial statement had never been cleared for release.

He said the apparent discrepancy between the unreleased statement and the financial report filled with the secretary of state was "a matter of semantics."

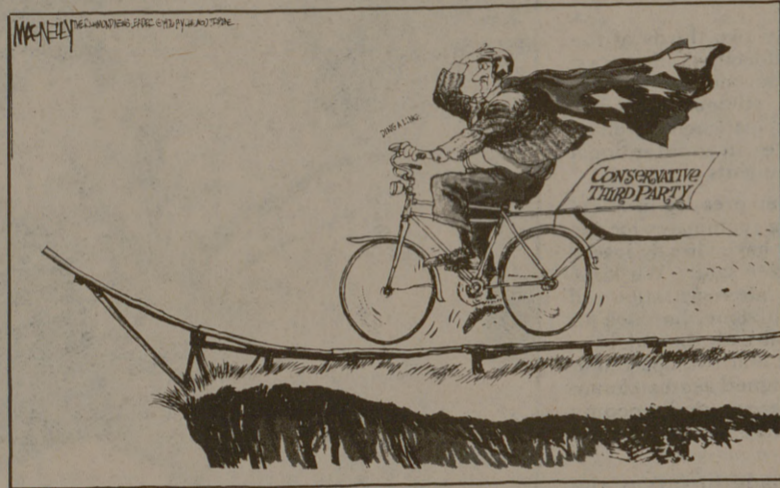
One reported expenditure was \$10,000 to the Austin law firm of

McGinnis, Lochridge and Kilgore "for professional services."

Party treasurer Harold Figg said the money was paid for the firm's work in 1974 on two cases. One was a challenge by National Committeewomen Billie Carr to the state

party's affirmative action rules. The other arose from opposition to the holding of the 1974 state convention on a Jewish holy day, Figg said.

"They are our legal representatives and they represented us on that," Figg said.



Study shows middle-class tax load

WASHINGTON — In the past two decades, the share of the average family's income paid in direct taxes has almost doubled. Those families with twice or even four times the income have experienced only half as big a relative increase in their tax load.

That startling measure of the shifting burden and increasing inequity of taxes is but one of the many findings buried in a booklet with the intimidating title of "Significant Features of Fiscal Federalism, 1976 Edition." It was released at a press briefing recently by the Advisory Commission on Intergovernmental Relations, a 17-year-old agency in which representatives of national, state and local governments study the operations of the federal system in the United States.

In the past, the ACIR's dry-as-dust statistical studies have fueled recommendations which led to such major changes as the general revenue-sharing program and the "circuit-breaker" limit on local property taxes.

New reports from the commission's Washington staff illuminate some of the realities which will shape the policy choices all levels of government will be making in the next decade.

One table, for example, shows the extraordinary shift from defense to domestic welfare spending in the past 22 years. In 1954, at the end of the Korean War, the federal defense budget was almost equal to the combined domestic spending of federal, state and local governments—\$47.1 billion for defense; \$49.9 billion for all domestic programs. This year, the domestic expenditures have risen to 78 per cent of the government pie, while defense has shrunk to 22 per cent.

To put it another way, half of the past two decades' rapid growth in domestic spending has been financed by taxes and deficits, and half by a shift in spending from defense to civilian programs.

The implication: Unless new international agreements are reached capping defense spending, domestic program growth will have



David S. Broder

to slow. The armed services cannot continue to subsidize half its expanding cost.

Here's another example of the surprising insights the ACIR studies afford. Probably no two topics have generated more controversy about the proper role of government than education and health. From the way they're discussed, one would think the records were comparable. Not so.

In 1950, the federal government paid 27 per cent of the education bills in this country; state and local governments, 59 per cent; and the private sector, 14 per cent. In 1975, the private share was up 2 per cent, the state and local government up 11 per cent, and the federal share had been cut in half to 13 per cent.

Reason: The main variable in federal education spending is the size of the veterans' educational programs — high after World War II, much reduced now. The more controversial federal aid to education programs are, relatively speaking, insignificant.

Now, contrast that with health spending. So far, most of the public debate suggests that the question of national health assistance is still to be settled. The trends say otherwise. In 1950, the federal government's total expenditure on health and medical care was \$1.4 billion. State and local expenditures were barely more, and the private sector paid for 74 per cent of the total health bill.

As recently as 1965, the same ratio held — 75 per cent private dollars in the health field.

But in the last decade, federal

health spending has literally exploded — to eight times the dollar amount of 1965, and the private share of the health bill has dropped below 58 per cent. If the trend continues, government will soon be paying more than half of all medical bills — and we had better hope there is a national health plan by that time, if only for cost control.

Let's get back to that first matter of surprise — tax burdens — and compare what's happened to the average family, the well-off family, and the rich. In 1953, the average family had an income of \$5,000. By 1975, it had risen to \$14,000. The well-off family is defined as having twice that income in each year, and the wealthy family 4 times that much.

The direct taxes on the average family rose 92 per cent in those 22 years; the well-off family's taxes 49 per cent; and the wealthy family's 46 per cent. No wonder there is a tax

revolt in this country. But what taxes are really to blame? The ACIR study shows two main culprits, neither widely suspected by most taxpayers. The average family had a 25 per cent increase in federal income tax burden in the period. But far more important was the 400 per cent increase in Social Security taxes, which went from over 1 per cent of the family income to almost 6 per cent.

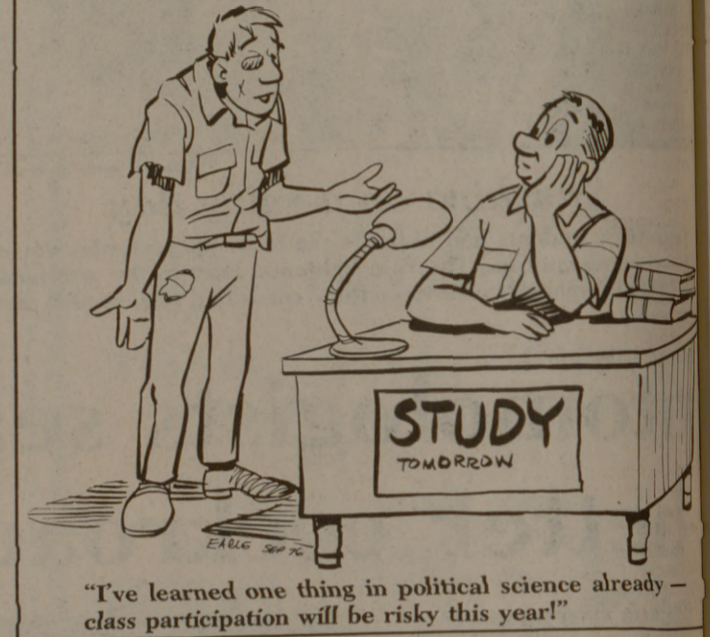
The other big source of income was the state and local income tax system. The average family had a 100 per cent increase in those taxes more than twice as much as the wealthier neighbors experienced.

Thus, the tax revolt should be aimed at the federal Social Security taxes, and the state and local income taxes. That is another surprise in this deceptively innocuous study organization.

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Slouch

by Jim Earle



Ford to stay near home this month Carter to begin campaign Monday

By WALTER R. MEARS

Associated Press
WASHINGTON — President Ford plans to stay close to the White House during most of this month, limiting his campaign travel to a series of relatively brief trips, according to his new campaign chairman.

James A. Baker III said there are no plans for extensive travel or extended presidential vote-hunting trips during the first month of the campaign against Democrat Jimmy Carter.

Carter is formally launching his presidential campaign road show on Monday with a speech at Warm Springs, Ga., and Labor Day appearances at Darlington, S.C., Norfolk, Va., and Newark, N.J.

A White House spokesman said there would be no Ford campaign travel before Wednesday. Press Secretary Ron Nessen was to announce the President's campaign kickoff plans today.

Baker said in an interview that Ford will be doing less on-the-road campaigning this month than during the presidential primary elections.

He said the President's travels will increase later in the campaign, but that even then, his managers will seek to avoid long, wearying, multiple-speech days.

The Ford plan clearly is intended to emphasize his incumbency and use the presidential stage.

Furthermore, Ford's advisers believe he is at his best when his itinerary is limited and his speeches don't come in bunches. They point to his speech accepting the Republican presidential nomination as the kind of campaign performance he can give when he has time to prepare and polish an address.

Carter has tentative plans to cover nearly 20 cities during his first five-day campaign week. It is to take him north to Connecticut, west to Chicago and south to Hollywood, Fla., with appearances in Pennsylvania, Maryland and Ohio in between.

Ford telephoned Ronald Reagan on Thursday to ask for campaign help from the man he defeated for the Republican presidential nomination.

A spokesman said they talked for 10 to 15 minutes.

"Gov. Reagan agreed to do what he could," said Deputy White House Press Secretary John Carlson.

He said Ford called Reagan in Santa Barbara, Calif., "to solicit his advice on the campaign and to ask his help."

There was no word of any Reagan plan to campaign actively for Ford.

Carter spent Thursday at home in Plains, Ga., preparing for meetings today with his running mate, Sen. Walter Mondale. The two Democratic nominees were to discuss plans for their campaign, which formally opens on Labor Day.

Mondale was in Kansas City, Mo., on Thursday, winding up his first campaign foray, a nine-day journey from coast-to-coast.

At a meeting of the National Conference of State Legislatures, the Minnesota senator said federal bureaucrats often have been arrogant and paternalistic and that a "new, creative partnership" between state and federal governments is needed.

"The past record on federal-state relations is dismal," he said. "People do not believe that government works. They have had enough of

bloated, unresponsive government."

Meanwhile, Ford's running mate, Kansas Sen. Bob Dole, was in Spartanburg, S.C., where he praised federal judge Clement Haynsworth, Jr., who lives nearby and said it was "one of the great tragedies" that Haynsworth was confirmed to the Supreme Court.

Haynsworth was nominated to the high court by resigned President Richard Nixon in 1969, but the Senate rejected the nomination, partly because of his rulings on civil rights cases.

In other political developments

• Carter's wife, Rosalynn, said in an interview that her three grown sons have told her they have tried marijuana. But, she said, "The only time I worry about my children doing something like smoking marijuana is if I thought they were slipping around and doing it and I wasn't letting me know about it."

• The House Judiciary Committee gave approval to legislation that would provide Secret Service protection to the wives of major presidential candidates. The measure was sought by the Treasury Department after Carter and Mondale asked for the protection.

Battalion seeking writers, columnists

The Battalion is looking for a special set of people to add to its staff, and is canvassing the student body for the traits necessary for the job.

The task is to fill a variety of positions in the organization. Book, movie and art reviewers are being sought, as well as feature writers, feature and editorial columnists, cartoonists, illustrators, editorial assistants and general assignment reporters.

Review applicants are required to be able to communicate effectively

their views, based on a knowledge of the position covered. No journalism experience is necessary.

Feature writers and reporters will participate in campus and city beats, investigative reporting and special interest reporting.

Applicants are encouraged to call or drop by The Battalion office, 211 Reed McDonald Bldg., 845-2611.

Positions will be both paid and voluntary. Hours are flexible and will be negotiated.

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