

A&M System relieved; Proposition 2 passes

By DONN FRIEDMAN
Staff Writer

State-supported education won a victory in Texas elections Tuesday night. Proposition 2 passed.

Proposition 2, an amendment to the Texas Constitution, passed by a more than 3-to-2 margin. Over 2 million voters cast ballots for the amendment, while less than a million voted against it. The amendment was endorsed by both the University of Texas and Texas A&M Systems.

Texas A&M President Frank E. Vandiver was pleased with the passage of the amendment.

"Passage of Proposition 2 ushers in a bright new era for public higher education in Texas, an era that I think will be marked by unprecedented progress and a high degree of cooperation among our state universities," he said.

The amendment will make changes in how the Permanent University Fund can be used and create

a new \$100 million annual fund for use by state supported institutions of higher education.

But what exactly is the Permanent University Fund, and why are administrators at A&M and the University of Texas so concerned about this amendment — one of over 250 changes that have been made to the constitution since it was drafted in 1876?

The Permanent University Fund is a constitutionally endowed stockpile of funds — dollars — set aside to support higher education in Texas, specifically UT and A&M. As of September '84 it holds more than \$2 billion. The fund, administered by the University of Texas System, is invested in stocks and bonds and fluctuates in value with those markets. It receives proceeds from the leasing of 2.1 million acres of West Texas land, much of it used for oil exploration. The PUF itself is permanent; that is, it cannot be used to build or

buy anything, but a certain percentage of it can be used as collateral to issue bonds to pay for construction at A&M or the University of Texas.

The use of the PUF as collateral has aided the construction programs at these two campuses. The Texas Constitution also provides that the interest from the PUF be placed into another fund: the Available University Fund. In 1984, the AUF was about \$150 million. The AUF is earmarked as a source for the enrichment of programs at the UT and A&M.

The PUF and the AUF were originally designated as a way to make the University of Texas a "university of the first class."

In the 1930's A&M was added as a beneficiary of the funds. UT now receives a two-third cut of the AUF pie and A&M receives the remaining third. Both schools may use the PUF as collateral to float bonds.

The 39 word amendment passed

by Texas voters Tuesday night says:

"The Constitutional Amendment to create from general revenue a special higher education fund for construction and related activities, to restructure the Permanent University Fund and to increase the number of institutions eligible to benefit from the Permanent University Fund."

The amendment, Proposition 2, will make changes in the way the PUF can be used.

First, it extends the bonding rate — that means increasing the amount of the PUF that may be used as collateral to issue bonds. Before the amendment, the bonding rate was set at a limit of 20 percent. The amendment raises that to 30 percent.

Second, bonds issued using the PUF as collateral may be used for more than just new construction at just the parts of the UT and A&M Systems originally designated in the

Constitution. It adds three institutions from the A&M System and nine from the UT System as eligible for PUF funding. The bond proceeds may also now be used for renovation of buildings, purchase of capital equipment, library books and the acquisition of land.

Prairie View A&M University, a predominantly black school and a remnant of the segregated Texas school system, will be designated as "a school of the first class" and receive a special \$6 million appropriation drawn from the UT share of the AUF for each year of the next decade.

The passage of Proposition 2 will create a fund for the benefit of other state-supported institutions of higher education. The boards of regents of UT and A&M both favored this proposition. Both boards feared possible litigation — the same type of litigation that allowed A&M a piece of the PUF pie in the 1930's —

instigated by schools outside of their systems which don't benefit from the PUF. Successful litigation could increase the number of schools that would benefit from the PUF, thus reducing each school's share of the kitty.

But thanks to Texas voters, the UT and A&M Systems will hold on to their share of the PUF, and all other state universities will divide a newly created \$100,000 million a year building fund.

"This assures those of us at Texas A&M that we can continue to count on having the Permanent University Fund as a viable source of revenue for the types of activities that give us the opportunity to become a world university," Vandiver said. "Likewise, all of the other state universities in Texas will have a stable source of funding on which they can rely — and which provides them a basis for effective and efficient planning for the future."

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Reagan retains White House key

United Press International

WASHINGTON — American voters re-elected President Reagan by a landslide over Democrat Walter Mondale Tuesday, as Republicans kept their majority in the Senate and moved closer to working control of the House.

"Good habits are hard to break," a smiling Reagan said reflecting on his re-election victory. "I have no words to properly thank you."

Mondale conceded shortly after the West Coast polls closed, congratulating Reagan on his victory and saying "we honor him tonight," but imploring his backers: "Let us fight on... let us continue to seek an America that is just and fair."

At 1:45 a.m. with 80 percent of the vote counted nationwide, Reagan had 42,979,352 for 59 percent

to Mondale's 29,833,320 for 41 percent. Reagan had won more than 451 electoral votes, taking at least 44 states. Mondale had captured the District of Columbia's three electoral votes.

Reagan's victory margin hovered below the record 61.1 percent of the popular vote Lyndon Johnson received in his 1964 landslide over Barry Goldwater. The president may be stopped short of sweeping all 50 states as Mondale held slim leads in his home state of Minnesota. The Democrat carried the District of Columbia.

"We sent out the word 20 years ago that we could start a prairie fire here in California," Reagan told cheering supporters. "We've sent that message to every corner of America... that message is the American

people here are in charge.

"Our work isn't finished, there's much more to be done."

"Tonight is not the end of anything, it's the beginning of everything."

With a Reagan landslide predicted in the polls for weeks, the big question on Election Day was whether his coattails were broad enough to elect enough Republicans to the House to give him voting control when conservative Democrats cross the aisle to support his programs.

A weary House Speaker Thomas O'Neill summed up Mondale's defeat shortly after midnight, saying: "He probably ran against the most popular figure in the history of the American government."

Republicans captured bellwether

Democratic House seats in Connecticut and New Jersey and were running close in several other key races. But initial results did not show a GOP pickup as big as the 20 to 25 seats needed to give them ideological control.

In the Senate, Democratic incumbent Walter Huddleston of Kentucky was upset and Democratic Rep. Albert Gore picked up the Tennessee seat vacated by Majority Leader Howard Baker. But GOP Sen. Roger Jepsen was defeated by Democratic Rep. Tom Harkin in Iowa and Republican Sen. Charles Percy was running behind Rep. Paul Simon in Illinois.

In the most bitter Senate contest, Sen. Jesse Helms, the godfather of the conservative movement, defeated Gov. Jim Hunt in North Car-

olina in a race that cost a record \$21 million.

Republicans won at least six governors races — Delaware, Indiana, Missouri, New Hampshire, North Carolina and Rhode Island, for the first time in 16 years. But voters ousted North Dakota's Republican Gov. Allen Olson.

In congratulating Reagan on his victory, Mondale did not concede the issues as he addressed 500 supporters in St. Paul, Minn.

Of his running mate, Geraldine Ferraro, Mondale said "we didn't win, but we made history" with the first woman vice presidential candidate.

An hour later Ferraro conceded at a rally near her New York home.



President Ronald Reagan

Gramm beats Doggett to take seat in Senate

United Press International

AUSTIN — Republican Rep. Phil Gramm, clinging tightly to President Reagan's lengthy coattails, easily defeated Democrat Lloyd Doggett Tuesday in the battle to succeed retiring GOP Sen. John Tower.

With 89 percent of the vote in, Gramm had 2,670,761 votes for 58 percent compared to Doggett's 1,908,397 and 42 percent of the vote. Gramm out-pollled Doggett in all portions of the state — including many Hispanic areas.

"We can swim upstream, but it's a little hard to take on a tidal wave," Doggett, who had never lost an election before, told supporters in Austin. "I've suffered a few knockdowns before but I'm not out. I'll be up again."

At his College Station election night headquarters, Gramm was jubilant, saying he may well have won the biggest victory for the GOP in Texas history.

"This is not a victory of an individual," Gramm, a Democrat-turned Republican said. "It's not a victory of party. It's a triumph of philosophy."

"And I believe that we are seeing all over this country today, a welling up of the ancient pride and confidence that is part of America, and I think it was a key factor in this race."

Gramm and Republican candidates across the country apparently benefitted greatly from President Reagan's extremely strong showing.

By all accounts, the Doggett-Gramm race was one of the nastiest contests in recent political history — a race in which seemingly petty claims and counterclaims frequently overshadowed discussions of the issues by the markedly different candidates.

It also proved to be an expensive race, with the candidates expected to spend a combined total of \$13 million this year alone.

In both philosophy and demeanor, Doggett, 38, and Gramm, 42, offered Texas voters their most divergent political choice in years.

Gramm, who taught economics before entering politics, centered his campaign on a strong allegiance to Reagan and his policies.

Doggett, an intensely serious Austin state senator with a liberal reputation, derided nearly all aspects of the Reagan presidency — particularly the economic policies Gramm helped shape.

The general election winner succeeds Tower, the Texas GOP's highest elected official for nearly 25 years.

Gramm, co-author of Reagan's 1981 budget initiatives, bet all along that the president's popularity would remain high in Texas despite the fact that several parts of the Texas economy have not enjoyed the ongoing economic recovery.

He also was confident his effort to paint Doggett as an ultra-liberal would pay off with the state's huge conservative bloc of Democrats — many of whom voted for conservative Democratic Rep. Kent Hance in a runoff battle Doggett narrowly won.

Doggett, meanwhile, cast himself as a moderate while blasting Gramm's voting record on federal aid to public education and Social Security issues.

He also has borrowed a campaign tactic from Mondale by accusing Gramm of harboring a secret tax-increase plan for balancing the federal budget.

Gramm, who outspent Doggett 2-to-1 in the race, was the acknowledged front runner throughout the long campaign.

However, Doggett seemed to relish his underdog role, frequently portraying himself as the Biblical David battling the Goliath Gramm.

Doggett had waged similar battles before — most notably in 1979 when



Photo by PETER ROCHA

Rep. Phil Gramm talks to Texas A&M President Center Tuesday. Vandiver was at the MSC voting.

he and 12 other "killer bee" lawmakers walked off the Texas Senate floor to block a change in the presidential primary that would have

benefitted ex-Democrat John Connally.

Doggett saved his money for the final month of the campaign and

managed to cut Gramm's margin with blistering television attacks in which he accused Gramm of insensitivity to the plight of the elderly.

Mondale says 'Fight has just begun'

United Press International

ST. PAUL, Minn. — Walter Mondale conceded defeat Tuesday night, saying the American people had honored Ronald Reagan in victory but declaring, "We didn't win, but we made history — and that fight has just begun."

Mondale, facing cheering, weeping supporters in his home state, said he had called Reagan "a few minutes ago" and "congratulated him on his victory."

"He has won, we are all Americans, he is our president, and we honor him tonight," Mondale said.

Mondale, heading for defeat in one of the most powerful landslides in American presidential history, said he accepted the verdict of the people.

He thanked running-mate Geraldine Ferraro, the first woman on a major party national ticket. "We're

very proud of Gerry, very proud of Gerry," he said.

Mondale consoled his supporters. "Do not despair, this fight didn't end tonight, it begins tonight," he said.

"I've been around for awhile and I have noticed in the seeds of most every victory are to be found the seeds of defeat, and in every defeat can be found the seeds of victory. Let us fight on, let us fight on!"

"My loss tonight does not in any way diminish the worth and importance of our struggle. The America we want to build is just as important tomorrow as it was yesterday. Let us continue to seek an America that is just and fair. Tonight, tonight especially, I think of the poor, the unemployed, the elderly, the handicapped, the helpless and the sad, and they need us more than ever tonight."

"Let us fight for jobs and fairness,

let us fight for these kids and make certain they have the best education that any generation ever had. Let us fight for the environment and protect our air, our water and our land."

Continuing the campaign themes he hammered out in his losing campaign, Mondale said: "And while we keep America strong, let us use the strength to keep the peace, to protect our values, and to control these weapons before they destroy us all."

"Good night and God bless you, and God bless America," he said, as supporters cheered and pumped American flags up and down.

Mondale watched the election returns in a 19th floor suite of the St. Paul Radisson Hotel with family and senior staff.

"I would describe the mood as quiet," said press secretary Maxine Isaacs. "It is not a very weepy scene at all, just quiet."

She said Mondale was working on

his speech as he watched the returns and greeted visitors.

Though early in the evening Mondale said he felt good, the feeling in his camp was one of defeat.

Mondale was joined by his wife Joan and three grown children when he went to the hotel from his suburban North Oaks home where he worked on his concession speech.

An aide said some members of Mondale's campaign staff wept when he spoke to them privately, but "most people cheered him and hooted and clapped."

"You have learned more in the last 1 1/2 years than most people learn in a lifetime," the aide quoted Mondale. "I know that you did this because you believe in a better America."

Mondale, she said, urged his supporters to "treasure those memories as you go forward."

ELECTION '84

Results as of 8 a.m. Wednesday

President	REAGAN	42,979,352	59 percent
	MONDALE	29,833,320	41 percent
Senate	DOGGETT	2,135,064	41 percent
	GRAMM	3,023,589	59 percent
U.S. Representative	KUBIAK	98,477	44 percent
	BARTON	126,719	56 percent
State Representative	LEWIS	21,231	46 percent
	SMITH	25,419	54 percent
Proposition 2	FOR	2,830,607	72 percent
	AGAINST	1,104,884	28 percent