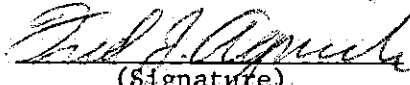


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Interview with
Fred J. Agnich
January 6, 1972

Place of Interview: Dallas, Texas
Interviewer: Mr. James Riddlesperger
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Oral History Collection

Fred Agnich

Interviewer: Mr. Jim W. Riddlesperger

Place of Interview: Dallas, Texas

Date: January 6, 1972

Mr. Riddlesperger: The general topic of our concern will be legislative reform. Mr. Agnich, will you give something of your life history?

Representative
Agnich:

Yes, I'd be glad to. I was born in northern Minnesota. So far north, as a matter of fact, that we used to call Minneapolis and St. Paul the banana belt. I was born on July 19, 1913. I grew up in a mining and a lumbering small town in northern Minnesota in what is called the Mesabi Iron Range. My father was from Yugoslavia and he came over to this country when he was sixteen years old. I suppose you could say I was born across the tracks in those days. I at an early age--I think eleven years--wanted to be a geologist, for what reason I don't know. But I went to the University of Minnesota, obtained my degree in geology in 1937--I believe 1937--and subsequently worked briefly for the Minnesota Division of State Parks, and it might

be surprising to hear me say this, but it was so highly political that at that young age I couldn't stand it.

So I left without a job, came down to Louisiana where I had a friend working on a crew of Geophysical Service, Inc., which has now become Texas Instruments, and I took a temporary job with them. I stayed with them from 1937 until 1961. In the first few years, I was engaged in geophysical exploration for petroleum around the world. I lived in Venezuela, Saudi Arabia, what was then British India, and Sumatra. The advent of the war caused the disruption of that activity, and I came back to the States. Subsequently, I worked and lived in almost every state in this country. I became first executive vice president and then president and chairman of the board of GSI and a vice president of Texas Instruments in charge of the Geosciences and Instrumentation Division, a member of the board of directors and on the executive committee.

I retired, if you want to use the term, from that very wonderful corporation at the age of

forty-seven. Since then, I've retired, I guess, two or three more times. In the intervening period of approximately ten years, I have developed my own business in production of oil and gas and in ranching and real estate development and have become increasingly more involved in politics because, whether we like the term or not, this is our kind of government. Our democracy, our country, is based on politics. I felt that this is the area in which I could exercise the most influence in determining what the future course of this country and Texas would be. So I'm now a member of the Texas House of Representatives.

I guess in a nutshell . . . well, in addition to that I suppose I've worked in almost every civic endeavor in Dallas. I've done a lot of work in the area of population control and environment which is something that has concerned me for years. I was a member of the board and chairman of the board of governors at Greenhill School here which is a private, co-educational school from pre-school to the twelfth grade. And in the formative years of that school, I was chairman and did build our new campus. I take great pride that the hall of science there bears my name.

Riddlesperger: Mr. Agnich, since my wife came from Minnesota and I got out of the iceberg . . . and, of course, they're all good Republicans up there . . .

Agnich: Well, as a matter of fact, they aren't . . . (laughter)

Riddlesperger: They're in South Dakota mostly now.

Agnich: Well, in Minnesota you find a strange thing. It's somewhat like Texas in one sense. You'll have a Republican and Democratic senator one time, and you'll have a Republican governor, and the next time he'll be Democrat. So they vary.

Riddlesperger: One of the things that we talked about in the State Legislature a great deal is a need for a two-party system as a method of dampening the influence of the lobby. Would you comment on that?

Agnich: Yes, I'd be delighted to. In the first place . . . well, let's go back. One of the very respected newspapermen in this town, Dick West, who is the managing editor of the Dallas Morning News, some time ago wrote an article in which he said that it did not follow that a two-party state provided any better government than a one-party state. He further went on to say that, as a matter of fact, statistics would show that you had more corruption

in a two-party state than a one-party state. Now his statement was correct except that he left out one word. He should have said that there is more graft and corruption uncovered in a two-party state than a one-party state. I think that is the crux of the thing--that if you have a viable two-party state government, then you have got, if you will, a loyal opposition. But you have those people there that are ready to bring it out, and I'd further state that if Texas had been Republican for the last one hundred years, I'd be a Democrat today.

Riddlesperger: That's a good point. I think a great many people talk about the power of the lobby in Austin. What steps do you think, besides going toward a two-party system, might be taken in the state to at least compromise the power of the lobby?

Agnich: Well, I think there are a number of steps that can be taken, and as an aftermath of this recent, very hectic sixty-second session of our Legislature, some of these are going to come about. The crux of the power of the lobby rests in our current system of the power of the speaker of the House more than any other man. I think if you analyze

Texas government, you find that the speaker of the House is far and away the most powerful man, at least in the rules as they have been up to now, in our state. In past history there have been fifty-five speakers of the House. Of those, fifty-one of them have served only one term, and none of the others ever served more than two. The present speaker was not only in his second term but was actively campaigning for a third and, indeed, even fourth term. Now it is obviously much easier for a lobby to deal with one man than it is with 150 individuals, and this is why the lobby has been so interested in concentrating that power in the speaker of the House because, face it, the speaker of the House is a full-time job, every week, every month of two years. I submit to anyone that unless a man is of independent means, there is no way he can work full-time as speaker of the House on a salary of \$400 a month unless he is subsidized by some group or by some individual, and it is through that process that the lobby achieves its power. When you look at the campaigns that the candidates for speaker run, you want to remember

this is a state-wide campaign. It has nothing to do with the voter. But he is campaigning for the votes of the members of the House and those who back those members. I would hesitate to say how much money is spent in an average, successful speaker's race, but certainly we're talking about some hundreds of thousands of dollars when you add it all up. This to me is the real place where the lobby achieves its power.

Riddlesperger: Now the lobby does not have to make reports on its campaign spending between sessions, as I understand it. They merely report what they do during the sessions sometimes.

Agnich: Sometimes, I'm glad you put that word in because this is true. The lobby--and I want to interject here--the lobby is not per se bad. I think we have to understand that term. Anytime any of us as an individual goes to any of our elected representatives, whether they're state or federal, and we ask them to vote for or against a bill, or present our point of view, we are lobbying, but that is in the fine sense of the word. And the lobby in Texas, in the House, does perform a very fine and worthwhile contribution

because they present data, information that you couldn't get otherwise. No member of that House can be conversant or expertise, if you want to use that term, in all of the areas that we have to consider, and we must rely, then, on someone else. One of our weaknesses is that we do not have a staff, you see, that will advise us, so we have to go to the lobby. Where this is open and above board, where the lobby is presenting the data, the figures, and indeed, presenting their side of the case, as long as this is open, public, there is nothing wrong with it. When it becomes wrong is when the lobby resorts to giving any member of the House something that no other member would get in return for his vote or his influence on a committee. That is when it becomes bad, and this has happened far too often.

Riddlesperger: You mentioned the lack of staff. That means lack of staff to the individual, but also lack of staff to the committees. What reform do you think should be made in the committee structure of the House in regard to membership on the committees and in the number of committees?

Agnich: Well, obviously the whole system has to be revised. Now I want to preface my statement by saying that I believe in the committee system. You must have a committee system. You have to rely upon your colleagues for their opinion, their advice in those areas in which they are competent. Now we currently have in the House forty-five committees--far too many. Furthermore, the committee assignments are determined by the Speaker himself alone, without the requirement to discuss it with anybody, no party caucus, no vote. And he and he alone will assign the members to any committee he chooses. This means, as happened this past session, they were all mixed up, and because a member had worked in a committee for some years, he might have become quite informed in, say, mental health, and he might wind up in the Parks and Wildlife Committee. Secondly, the speaker, and the speaker alone, has the right to determine who the chairman of every committee will be. Well, of course, what he does is get together with some of the members and say, "Look, you can be chairman of this committee, but you've got to stay on the team." Now beyond that

we have in the House an automatic subcommittee rule, and when the committee hears a bill, it is mandatory that that bill be referred to a subcommittee and not reported directly to the House. There are no standing subcommittees. Each one is different, and they are appointed at the sole whim and disgression of the chairman of the committee. Further, it states that a subcommittee cannot hold a hearing unless it is called by the chairman of that subcommittee. And if all the other members were to get together and hold a hearing, it would be without any legal force or validity. So this creates the deep-freeze subcommittee. I've been in many committee meetings. We sit behind the table where the witnesses cannot see what goes on below the table, and if the speaker has told the chairman of the committee, "I don't like this bill" the hearings will be conducted with impartial fairness, and then the chairman, under the table, will turn his hand with thumbs down, and he'll look down the committee until somebody nods his head, and he becomes chairman of the subcommittee and that bill is dead.

Now what has to be done? Number one, we must reduce the number of committees--they're unwieldy--from certainly no more than twenty-five, preferably twenty. Alright. These committees, these standing subcommittees, should operate for the full two years and not just during the session. We should do away with the interim committee system, and any matters that come under the jurisdiction of that committee, whether within session or without, should be considered by them because, after all, they are expert. Next, it should be the rule that if a member has served on a committee during the session, that if he is then re-elected, he has the right to remain on that committee because that would do more to destroy the abusive power of the speaker than anything else. Furthermore, you would maintain that continuity of knowledge, of experience. You would still give the speaker the power to appoint the chairman of the committee, but he would have to appoint that chairman from amongst those members who had previously served on that committee. We're talking about limited seniority. Furthermore, there should be standing

subcommittees, not appointed willy-nilly. They should be permanent, and the same rules should apply. So that if you got into Parks and Wildlife, for instance, where I'm very familiar, if you have a bill that came up with respect to shrimp fishing, there ought to be a standing subcommittee that has to do with shrimp and fish, and every bill mandatorily must go to that subcommittee. There should not be any full committee hearings. The hearing should be by subcommittee because this would spread out the workload, and then when the subcommittee made its report to the main committee, there would have to be a free and open vote before it is reported to the floor of the House. Now these are the substantive changes that must be made. What we're talking about here is that we have got to have in the Texas House, the Senate too, an organization and rules whereby the great issues of the day are subjected to free and open debate and discussion upon the floor of the House. These, I think, in a nutshell are the things . . . we recognize that many pieces of legislation presented are bad legislation. They're worked up bad, they

don't make any sense, and the committee should have the right to amend or kill that piece of legislation. But when you come to the substantive issues, the things that really are going to determine the future course of our state, they have got to be subjected to free and open debate where the public can sit in and listen to that debate.

Riddlesperger: I've just decided that you'd make an excellent college professor.

Agnich: Well, thank you, sir.

Riddlesperger: That is a very interesting discussion of the committee system. One other point on the committees--the staffing of the committees--permanent staffing would be possible if you reduced the number and . . .

Agnich: Yes, and you're talking here, of course, about another badly needed reform. In the present committees the only staff they have is a clerk, and he, because the standing committees don't operate throughout the two years, is obviously a part-time employee, generally a college student going to school. His job is to simply keep records,

to keep very brief notes of what the bill is and when it was heard. He doesn't even keep a record of who appeared, who the witnesses were. There's no record of the testimony given in there. There is no expert legal advice as to whether a bill, as it is presented, is constitutional. So obviously what we need are professional, full-time, paid staff on each of our committees, and this would be valuable.

We have now, as you know, we have the conference committee system, where if a bill is passed by the House and goes to the Senate, the Senate puts in some amendments, and if it comes back to the House and the House refuses to concur in that thing, then this goes to a so-called conference committee, which has five members from the House, five from the Senate. The five from the House are appointed by the speaker, the five from the Senate appointed by the lieutenant governor. Now you would think that . . . and let's use as an example the appropriations bill because this is where the real abuses come in. Let's suppose that, as happened this time, the House passed a bill,

I think somewhere in the neighborhood of \$6 billion. The Senate took it over, and they came up with a figure of something like \$7 billion.

Riddlesperger: Is this a tax bill or appropriations?

Agnich: Appropriations. It went to a conference committee. Now what the conference committee did was to come out with a bill that was another \$100,000,000 greater than even the Senate bill. You would suppose that they should adjust in between. Furthermore, there were items placed in that conference committee report that had never been discussed or debated by either house. And the bad thing about it is that, according to the rules, when you consider a conference committee report, you have to vote it up or down, in other words, yay or nay, you can't take out part of it. So you're faced then--and this happened this time--on your desk a few hours before you have to vote on the last day of the session, with a 600 page thick appropriations measure. And you're supposed to pass judgment on that. You know that there are some goodies in there--and I'm going to be frank--because you've got the pork barrel items. But you also know that

if you vote against it and it carries, then the whole state establishment comes to a crashing halt because they're not financed. And despite that, I voted against it this time. We had things . . . an example. The House had an appropriation there for \$100,000 for the Lyndon B. Johnson State Park. This is what the Parks and Wildlife Department had requested. This is approved by the House, \$100,000. It went to the conference committee, and when it came out, it was a \$1,000,000 appropriation. Now this is where . . . and again, we have to talk about personalities. Representative Bill Heatly has been the dominant force in the Appropriations Committee for I don't know how many years. They don't have any public, open hearings. I've talked to members of the conference committee, and they say that when they try to cut out a measure, they turn around, and Mr. Heatly has it back in there again. Now this has got to change. We have got to say that a conference committee cannot put in any more than the maximum of either house, any less than the minimum of either house, may not include anything that has not been considered by at least one of those houses. Furthermore, the

appropriations measure should not hit the desk of the House or the Senate any later than six weeks prior to the end of the session. That's the only way we're ever going to get any fiscal responsibility in our state government.

Riddlesperger: This brings up an idea because I did want to ask you about the appropriations bill--how much you knew was in that bill, and you already have indicated that no member really knew.

Agnich: No member knew.

Riddlesperger: They just vote for it blind. They may know some areas where they looked at it and that's all.

Agnich: That's right.

Riddlesperger: What about annual sessions and an unlimited number of days? How would they fit into this?

Agnich: Now let me say first what I think we should do. The complexity of our state government today is so vast that it is extremely difficult, even as a member of the Legislature, to really know what's going on. You can't do it in five months. Now I believe that we . . . it is absolutely imperative that we have annual sessions. I'm not sure that we should have two sessions of the kind we now have.

I would love to see, in the other year, a session devoted to nothing but the study of the budget of the state, its control, and how it should be financed because we are really ignorant about that budget. This must be done.

But let's look at what you're talking about when you do this. Many of my colleagues in the House are working there at a considerable sacrifice if he is an honest man. Now I don't care because I personally happen to be of financial means. It doesn't matter to me. But he's required to take five months away from his job or his profession or whatever. Now he might be able to do this once every two years, but when you ask him to do this every year, then you are imposing an intolerable burden on him. What it means is that many of these men could not continue to serve the State of Texas. Now I'm talking to you about those who are honest and dedicated. Inevitably, if you pursue this and not raise the salaries, you'd have the Legislature composed of two kinds of people-- millionaires and idiots. It's as simple as that.

So what is required is that we must raise these salaries. You know, I used to manage a large

portion of Texas Instruments, and one of the basic requirements for the successful operation of any enterprise is that in any job the level of responsibility of that job must be equated with the level of compensation for that job, or else you're doomed to failure. One of the real tragedies of the Sharpstown thing is that it has created in the minds of the people of Texas a deep distrust of their state government. There will be a constitutional amendment on the ballot next November which, if passed, would raise the salary of the representatives and senators from \$400 a month to \$700 a month, which in my mind is still far too low. But do you think in the aftermath of the Sharpstown affair that the people of Texas are going to approve a salary increase? No, I think not. See, the two must go together.

Riddlesperger: Well, that's too bad because we're cutting our own nose that way.

Agnich: Yes, that's right.

Riddlesperger: Speaking of that, of course, does bring up the ethics bill. Now Senator Hall, who is the senator in our area, thought up an ethics bill. Do you have any ideas on what ought to be in an ethics bill?

Agnich: Well, number one, I think that the present ethics bill is a monstrosity, I'll be frank with you. I suspect that the courts will find it unconstitutional. Now what happened, we started out with a relatively simple bill. But the powers that be decided by this time that it was politically unwise to oppose it. So they took the reverse tact, which is often done, by placing amendment after amendment after amendment until now the bill is such that if it were followed to the letter, there would have to be 200,000 financial statements issued. This is absolutely preposterous. It would mean that many men who serve as our mayors, members of the school board at little or no pay, simply could not afford to do that because of financial disclosure. My contention is that what we need is not ethics legislation, but we need ethical legislators. I have serious doubts that you can ever legislate anything other than a conflict of interest code that will have any effect. No state, nor the federal government, has ever been able to come up with ethics legislation. But I think you could have a simple conflict of interest code where

every member--and this is in our constitution, but not followed--where every member, when it came to a vote upon the area in which he had personal financial interest, he would press the white button and not cast a vote.

Riddlesperger: Now, of course, that does dovetail right in to the lobby regulations. What laws do we need in the field of lobby regulation?

Agnich: Well, the lobby is now, of course, required to register as a lobbyist. Secondly, I believe they are required or supposed to report any expenditures they make, and everyone knows that this is violated, and indeed it must be violated because, again, the speaker of the House or the lieutenant governor cannot occupy those full-time jobs without being subsidized by the lobby. Now I'll make the statement that I do not know of a case in the history of this state, where the speaker of the House or the lieutenant governor was not being directly paid by the lobby, and I defy anybody to dispute me on that. The figures are there, the facts and so on. I think that the laws and the regulations with respect to the lobby are there already, and

all that is required is that they be enforced and not that we acquire more laws. Again, the lobby does perform a valuable service. I think this ought to be part of the code of conflict of interests. I myself wouldn't let a member of any lobby buy my dinner or my lunch. Now I think perhaps that's carrying it too far, but I think that's the case. I think that any discussion between a lobby and an elected member ought to be something of public record or something that neither party would be adverse to having publicized.

Riddlesperger: This comes around to the campaign contributions part of it. Do you have any concepts that apply to this field of campaign contributions?

Agnich: Yes. I welcome the action of Secretary of State Bullock in tightening down the requirements. They've been there, but everybody who's ever run for office has not paid attention to them. I think that the contributions that anyone running for office gets ought to be public knowledge. Now I caution strongly against putting any limits because when you limit the amount of money a candidate can spend, you are really tilting the scales in favor of the incumbent,

you see, because he has access to the media, to the news and everything else. He's known by the press, and if you are a new entrant into the political sphere, you've got to spend more money than the incumbent because nobody knows who you are. Well, considering the current tremendous costs of using TV, which is where you've got to go, you would place, I think, an unfair restriction upon someone not in the public eye.

Riddlesperger: Good point. I'd like to hear, since you've had great interest in the one or single member district thing, some of the politics and some of the ideas you have on single member districts versus multiple member districts in Dallas County.

Agnich: Well, of course, I've been involved in this fight for more years than I care to remember. Currently I just got back from testifying at the trial, and I think the courts will rule that we must have single member districts. I think this is a tremendous step forward. See, it is preposterous to have to run a campaign for the Texas House in a district of 1,350,000 people comprising three full U.S. congressional districts, a population

greater than that of seventeen of our states. Now if you are not one of the boys on the slate, as I was not, look, face it, unless there are some really exceptional circumstances, unless you could raise a lot of money, as I could, unless you were known throughout the community, you have absolutely no chance of being elected. So to get back to this millionaires and idiot thing, you either got to be a millionaire with plenty of money, can afford to do it, or else you must become part of a slate where the campaign funds are put up by a small group of men, which has been the case in Dallas county. You're not going to get elected unless you're a member of that slate, and obviously, you know, where somebody's paying the piper, you're going to have to dance. So what has happened in the past is that our legislative delegation from Dallas County has been dancing a tune of those who pay the piper. Now I want to be frank about it. This is the case, and there is no argument about it. You remove from any man as an independent the possibility of being elected to the Texas House, so you're going to get the millionaires and the idiots.

And I think that . . . and this is a subject aside almost from the ethnic discrimination or the other discrimination. Furthermore, and perhaps the greatest argument in favor of single member districts is this: if we have a problem in this country today, it is that the people of our great country feel a remoteness from their government. They feel a frustration almost that the government is so large and so monolithic and so removed from them that no matter what they say or do, no one will listen to them. If you were to ask the average citizen of Dallas County who his fifteen state representatives are, if he could name one you're lucky. Further, he knows that even though the man might live near him, you don't have to pay any attention to him. If he doesn't like what he does, "Oh, go away because you're not electing me." Whereas when you have an individual district, you would have a man who lives where you did, who understood the needs and the desires and the problems of that community. Someone, when you had a problem, you could go to to talk to. Furthermore, if he didn't perform right, if he didn't do

what was in the service of the people in his district, you could throw him out. I think that's the big argument.

Riddlesperger: I think that is very significant. Of course, we of Denton feel like that having a team from Dallas gives an unfair advantage to University of Texas at Dallas (laughter) especially when the team was chosen by a group.

Agnich: That's right.

Riddlesperger: That in a sense controls their vote.

Agnich: Well, I don't think there's any question about it. I know because I know my colleagues, and I'm not here going to single out any one of them for disparaging remarks, but there isn't any question that when it came from a crucial vote, they were running to the telephones to call back here to Dallas to see how they should vote, and I submit that that is wrong.

Riddlesperger: Yet that's being done. What other field of legislation have you been particularly interested in?

Agnich: Well, there have been two . . . well, three areas, really. One is this question of reform, which to

my mind is paramount, because we got to get this done before we can get anything else. The second area is in the area of parks and wildlife, if you will, the conservation and environment area. As a geologist, I've worked in this field now for thirty-some years, and I understand it. I'm a member of the President's fifteen-man National Advisory Board on Fish and Wildlife. We serve as directors of the Bureau of Fish and Wildlife and as advisors to the Secretary of the Interior, so that I've had broad exposure in this area. In the Parks and Wildlife Committee, even though I was a lone Republican, nevertheless, I must say that I was accorded great cooperation and that really in the controversial items, I suspect that-- and I may sound egotistical though I try not to be--I think I was usually the deciding force on how a bill went.

The other area, of course, was in urban affairs. Obviously I would be greatly interested in it, coming from a large metropolitan area. You must remember that in the past--and even this time-- but before this session, there never has been a

chairman of the Urban Affairs Committee that came from a city of more than 10,000 people. Now this time we did have Grant Jones from Abilene, which is larger, and he was more conversant. But there was one thing I learned in there, one rule of thumb. That was always when we were considering legislation which was mandatory upon the cities or the county or community, I would vote against it. You see, we have no right in our state government to fuss at the federal establishment for dominating and dictating to us when we have to turn around and tell the cities you've got to do this. Now when it came to legislation which was permissive, which said to the cities, "You can do this if you or the people want" then I'm for it because you are broadening the base of local government, and this goes back to the other question-- you are bringing government closer to the people.

Riddlesperger: That I can understand. Do you have any other particular reform besides the ones we've talked about--ethics and redistricting and rule changes?

Agnich: Well, yes. There certainly are a number--and we could go on and on in the rules thing because they're

really at the crux of this--but there are others that I think are really significant. Number one: we spoke about annual sessions, and I think that we must have--I don't know whether you'd call this reform, I suppose--you must have constitutional revision. We have got to revise our constitution which, as you know, was developed in the aftermath of the Civil War and was designed to strip the carpetbagging governor at the time of his powers, and he, not being very sharp, signed it. That was 1876 and we're still operating under it, and anyone would recognize that that document created under those circumstances no longer serves our purposes. So it must be revised.

I've done a great deal of study on constitutional revision across the country. Now one fact emerges as being very striking, and that is if you attempt to revise a constitution en masse, all at once, the voters will turn it down because the revision is so thick and complicated that they don't understand, and what people don't understand, they fear. So what must be done is that we must develop the overall plan for revision and then submit it to the

voters--a fifth of it--every two years or some such period. It's not so complicated that they can't understand it, but it must be part of a homogenous effort. This must be done.

Now there will be a ballot next November on the constitution, setting up the next session, the Sixty-third Session, as a constitutional convention. I'm not sure that that's the right move, but it does have outside people, but again, do you think that the people are going to entrust to a Legislature that had men like Mutscher and Heatly and Shannon, et al, do you think they're going to give them the power to revise the constitution? I think not. So my basic premise-- I guess if I have one--is that we are not about to begin to plan for the future existence--even begin to solve the problems of today--until we restore to the people of this state their trust and their confidence and their reliance in their state government. I further submit that it is up to the representatives elected to demonstrate to the people that they are trustworthy, that they are honest, that they are men of integrity. I

think when we do that, yes, then we can go ahead,
but until that time, we'll not accomplish anything.

Riddlesperger: That accords pretty well with my thoughts on that.
I've some serious doubts about the Legislature
being the correct one to do it.

Agnich: That's right.

Riddlesperger: Speaking of the various reforms that you summarized,
they nearly all point back to the professionalization
of the Legislature, but let's get back to political
parties just a minute. You mentioned that on several
occasions, one Republican, yourself, had been in a
balance of power situation. How many Republicans
would the House need--and incidentally, I might ask
how many do you think might be elected from the
single member districts--to really become a factor
in legislation?

Agnich: Well, I would say that, given thirty Republicans in
the House, that we would forever change the future
course of history of the State of Texas--thirty.
When you understand the rules and the constitution,
that thirty, wielded together as an intelligent,
hard-working bloc, simply means that you could
not abuse the rules as in the past because they'd
be there. I think that . . . well, were we to get

almost that thirty this time, looking at single member districts . . . no question about it, we're going to have more, certainly the aftermath of the scandal is going to help. And besides that, see, the thirty becomes really powerful as it stands because if you know how to work in the House, you're going to get a lot of Democrats that for one reason or another will band with you. You would be the determining factor mostly in the selection of the speaker of the House. They'd have to come to you. This is already occurring in the present speaker's campaign. We now have assurances of what I consider to be the first great step toward the two-party state, and that is that in the next session, for the first time in our history, the Republican Party will be recognized as a party. It's already agreed that we will not only be allowed to elect our minority leader, but he will be recognized as such, and that the state will provide him, as it does the speaker, an office and a staff at state expense. If you don't think that this is a tremendous step forward, it really is.

Riddlesperger: Well, that would certainly be one. Now that would mean, also, perhaps, that you would have some

representation on the committees, the important committees.

Agnich: Yes, that's right. This is already agreed to. I think we're going to get around to something like the federal government where you take the relative numbers of the two parties and . . . obviously you must have that, and furthermore, the minority leader in caucus with the members of his group would say, "Look, we want positions on these particular committees." I think you'd get them without a bit of trouble. Now I want to say something here that is perhaps an unusual observation. In my one term in the House . . . and may I say here that I knew a lot more about state government before I was elected than I do now, you know. I think that'd be an observation of anyone whose been down there. But I don't think I can recall over one vote that was partisan in nature that way. It just really . . . in the House you don't have partisan votes. They were of two kinds--either for the speaker or against him, or liberal or conservative. That's where your votes went, so you're not really called on to make

many really partisan votes. Nor did I ever experience any discourtesy, any lack of friendship or warmth, from any member of that House, period. Now some of my Republican colleagues did, but it wasn't because they were Republicans. It was because of their personality and their attitude. I say it was true that there were a number of Democrats down there that were almost persona non grata, and I had much more influence than they did. But again, it was not the party thing per se in the House that determined that. But we're going to see more of the influence of the Republicans, and I hope we get away from having to form a coalition like the "Dirty Thirty," of which I'm very proud, but I'd like to be able to see that we have that built-in bloc of people who are there to act as the watchdog, if you will, of the people. I think the day might come when the Republicans would dominate this Legislature, and I hope that when that does, that there will be a group of Democrats there that will be holding the feet of the Republicans to the line. That's the basis of our American system of politics.

Riddlesperger: That's right. Of course, a political party just cannot be duplicated by any type of just a little coalition as Mr. West has suggested--that liberal and conservative Democrats . . .

Agnich: It doesn't work that way.

Riddlesperger: It doesn't work that way. I think that's a very interesting point. Now the fact is that the "Dirty Thirty" . . . do you think the "Dirty Thirty" was pretty effective in slowing down some of the things that might have been put over.

Agnich: When I first went down to the House as the lone Republican from Dallas County, I had to try to undo something that had become commonly felt in this county, whether deserved or not, that Republicans were obstructionists, that they voted against everything, that they wouldn't go along with what was best for Dallas County. So I went down determined to show, number one, that I could be effective, and, number two, that when it came to the issues of importance to this county that I'd be lining up there and fighting for it. So I was prepared to cooperate and to work with the leadership. But it didn't take very long--and

really, the Sharpstown affair was simply a symptom-- for me to recognize that I was seeing what I considered to be the greatest abuse of power that I'd ever heard of in politics. So I looked around for those who would help and work against it. I found that all of the Republicans were unanimous in that respect. Then I found a group of liberals, liberal Democrats, who had been fighting this power for a number of sessions, but who made no progress because, since they were all liberals, it was easy for the press and the columnists to castigate them as the wild-haired, raving, lunatic, liberal fringe. They could not establish credibility. But when we got together and then got with us some conservative Democrats . . . and we were very careful. In the "Dirty Thirty" we never took a partisan position, number two, we never took an ideological position period. We were together only on those issues which were concerned with the reform of the House, and we voted against each other like mad on ideological measures. But that, you see, removed from Mutscher and his people any point of attack. You never read in the press

any attack on the "Dirty Thirty" because there were liberals, Republicans, Democrats. That was the strength of that group. We started out as the thirty . . . well, really, thirty-four to begin with, and by the end of the session, of course, we had succeeded in overthrowing the speaker of the House, and today we face an election year, and we could sell charter memberships in the "Dirty Thirty" to almost every member of the House, and they'd pay to have it because anyone who supported the speaker all the way is going to be in deep trouble in the next election.

Riddlesperger: I think that's true.

Agnich: That's right.

Riddlesperger: Since the court has ruled the ad valorem tax school thing out as unconstitutional, the Legislature's going to face some grave tax problems. Do you have any ideas or thoughts what the tax bills are going to be like?

Agnich: Yes, I do have some observations but I do want to say that they're probably premature at this time until we get a final court decision. I am not a lawyer, but as I understand the decision, I did

not attack the ad valorem tax as being unconstitutional. It simply said that the manner in which it was raised and the manner in which it was spent was not fair. So it would follow that you could stay with an ad valorem tax, and what you would simply have to do is to make sure that the assessment rates and the ad valorem tax rates were uniform throughout the state and that the money so raised was then spent in accordance with the population of each district. Now I say here this may be the constitution, but that does not mean that I agree with it because when you do this, you do two things. It means that in effect these taxes must be raised by the state, and number two, the funds must be allocated by the state. And that being the case, we will remove what little control over our educational system that is left in the local groups. Secondly, I think there's a great deal to be said for the neighborhood school concept with the pride that the taxpayer and the parent and the student in that district have in their school system, in their school building, in what they are doing. See, you're going to remove that incentive factor, and I think this is bad.

Riddlesperger: I agree.

Agnich: Alright, let's face it, let's say it's unconstitutional. Then I would accept this revision of the method of assessment and dispersement of the funds of the ad valorem system first. I would much rather accept that than I would, let us say, a state personal income tax. A lot of people speak to me about regressive and progressive taxes. They say a sales tax, for instance, is regressive, while the income tax is progressive. I'd submit that it's simply the semantics of those people who believe that. It doesn't follow. And when you look at our whole tax structure, and if you examine the system to see who foots the bill, then it is readily apparent that the big tax burden rests upon the shoulders of those people who have an annual income of between \$10,000 and \$20,000 a year. They are footing the bill. There's absolutely no argument with this as subjected to the sales tax. Income tax-wise, those below that figure, because of the deductions and everything, pay small. Because of the graduated rate, these people pay more. Now the people who have large incomes and they don't pay anywhere near the tax

rate that these people do because, due to the nature of their business and everything, they have exemptions. I'm not saying here about any illegal dodging of it. But the people in the \$10,000 to \$20,000 bracket, they're working people, they're skilled workmen, they're professional people, they have no deductions. So if we add the state income tax, we are putting an additional burden upon the shoulders of those whom I consider already overburdened.

Riddlesperger: I buy a lot of that, since I fall kind of in that bracket. What about the corporate profits tax which has been suggested?

Agnich: Well, there're arguments pro and con. I mean, we get into this, I think, fallacious argument about the so-called consumer tax, which people say the sales tax is, and the business tax. Now it's obvious that any corporate tax is a consumer tax because the corporation does nothing but . . . and it has no choice. It has to pass it back into the price of its merchandise. The only valid argument is that, well, you may be passing some of it on to stockholders of the company who do not

reside within the state. Therefore, you're spreading some of that outside. They say that in those states that have the corporate income tax, why, the stockholders in Texas are paying part of that load. There may be some validity to that, but I think this is more than counterbalanced by the fact that if you have a state which does not have a corporate income tax, you have a great incentive for new businesses and new corporations to move in. I've been in business for a long time, and one of the first things you look at before you set up a site for a plant is what is the tax structure, what kind of base is it? So I'm not sure you gain any . . . yes, it's politically very popular to soak the corporation, but you're going to soak Mr. Average Fellow in the Street. He's going to foot the bill anyway.

Riddlesperger: Right. Now one or two other items. I see you have a book here on no-fault insurance, and I know there's been a great deal of discussion on insurance reform in Texas. Do you have any ideas on that, particularly its place in legislation?

Agnich: Yes, I most certainly do. I have taken some risk of political unpopularity and great issue with

Senators McKool and Mauzy on the insurance thing because I believe they have demagogued and used it because it is a popular thing. I don't think that you could say the Insurance Board is really responsible or the insurance companies or whatever. The thing that causes your high insurance rates is the traffic toll, the accident rate, the increased cost of hospitalization, the cost of having trials, what the trial lawyers get out of it. The no-fault insurance concept does have a great deal of appeal. I think . . . I've got a book there, and I haven't finished it, but as of right now, yes, I think the no-fault insurance concept does have more merits than demerits. I'm following very closely the experiences in those few states which now have it, and it begins to look as though that yes, indeed, they do have a rather dramatic reduction in rates. I would not go whole-hog with complete no-fault, and very few states do. I think, for instance, above a certain limit medical expenses are something else. You can't apply that factor. But it certainly cuts out litigation costs and makes the payment of claims rather . . . now, I want to

interject a word of caution. We have not had enough experience. Now we may find that you may lose some of the incentive of driving safe and being careful because you know . . . well, what if you are in an accident? It doesn't matter whether you're at fault or not. It's not going to cost you anything. So I think that there may be that factor that some more years of experience might tell us that we would have to further modify to put that in. But basically right now, yes, I'm in favor of no-fault insurance.

Riddlesperger: Well, there's just one other thing that comes to mind, and this is the politics of voter registration. I know we have eighteen year olds, and a lot of campus characters would like to know about what are the possibilities of and what are the politics of passing voter registration.

Agnich: Well, in speaking about the eighteen to twenty-one year olds, I've spoken at some fifteen campuses across the state including North Texas State, and I want to make some observations. Number one: there are going to be eighteen to twenty-one year olds registering, and more of them vote, than most

politicians assume. I think that the percentage that will register and vote will be considerably greater than in the twenty-one to twenty-five year bracket. I think this is so. Number two: I think that it is very dangerous to generalize with these young people as to whether they are liberal or conservative, Republican or Democrat. I think they're going to be the greatest ticket splitters in the history of this state. I think they're going to vote on the man and on the issue. I was at first a little disturbed, but I no longer am after visiting these campuses because I have yet to have had a single student ever ask me a question in an impertinent tone of voice, or argumentative, or anything else. While they are persistent in wanting to get a correct answer, they are also reasonable. I really think it's a great thing. And there are two things which above all they are interested in, and the first one--I'm talking about state issues--is this question of honor and integrity in our state government, beyond any question. Their idealism is such that . . . and the second is our environment. Those are the two.

Riddlesperger: I think this is absolutely right that a lot of people think that on campus all the students are liberals. But this is really a ridiculous assumption. Well, do you have anything further that comes to mind that you'd like to add to conclude?

Agnich: We've covered a lot of ground in a short period of time. I would say one thing that I would like to see more of in those people who run for public office. I think it would do more than anything else to resolve this question of integrity in government. To do this, I have to draw an example, the example of Theodore Roosevelt. When he first ran for office, he ran for the position of assemblyman in New York State, the equivalent of our representative. He ran as a reform candidate against Tammany Hall. He ran, I think . . . in his own words, it was really to see if he could do it, number one, against odds. But number two, he said to himself that if I am elected, I am going to conduct myself in a manner in which I do what I think is right or wrong and without any consideration given to whether or not I am

again elected to public office. I would like to see more people stand up . . . I've tried to do it, inadequately. But I've been raising my voice about what has happened. I know I've made enemies, and it's as Theodore Roosevelt said, "It well may be that I may not again be elected to public office. And so be it, amen, I'll abide by the will of the people, but I'll rest content in the knowledge I tried to do what I think is right." I think that is what we need. I believe that when the people of this state see such a man that they'll elect him and re-elect him.

Riddlesperger: Well, Mr. Agnich, on behalf of the Oral History Collection at North Texas, I want to thank you for a very enlightening and very interesting discussion. I hope that you come up to North Texas and answer our invitation and go up there and talk to our students in the near future.

Agnich: Anytime you invite me I'd be honored and delighted to come up, and I thank you.

Riddlesperger: Thank you.