

NORTH TEXAS STATE UNIVERSITY
ORAL HISTORY COLLECTION
NUMBER
391

Interview with
Fred Agnich
September 9, 1977

Place of Interview: Dallas, Texas
Interviewer: Dr. Ronald E. Marcello
Terms of Use: Open
Approved: *Fred J. Agnich*
(Signature)
Date: January 25, 1978

COPYRIGHT (c) 1978 THE BOARD OF REGENTS OF NORTH TEXAS STATE
UNIVERSITY IN THE CITY OF DENTON

All rights reserved. No part of this work may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopying and recording or by any information storage or retrieval system, without permission in writing from the Coordinator of the Oral History Collection or the University Archivist, North Texas State University, Denton, Texas 76203.

Oral History Collection
Representative Fred Agnich

Interviewer: Dr. Ronald E. Marcello

Place of Interview: Dallas, Texas

Date: September 9, 1977

Dr. Marcello: This is Ron Marcello interviewing Representative Fred Agnich for the North Texas State University Oral History Collection. The interview is taking place on September 9, 1977, in Dallas, Texas. I'm interviewing Mr. Agnich in order to get his reminiscences and experiences and impressions while he was a member of the 65th Texas Legislature.

Now Mr. Agnich, many people have said that all during the legislative session the budget surplus, or the alleged budget surplus, was foremost in every legislator's mind. Do you care to comment on this?

Rep. Agnich: I most certainly want to comment on that, because I think it was at the same time a great disappointment to me and, I think, a tragedy to the people of Texas. It was almost unbelievable that we could have that kind of money and then spend every cent of it and provide no tax relief for the taxpayers of the state, this despite the fact that everyone, including the chairman of the Education Committee and the speaker of the House, all

solemnly swore that the one thing that they were going to do was to reduce real estate or ad valorem taxes. Then lo and behold, at the last minute, the speaker and the chairman of the Education Committee held their noses and buckled down to the school superintendents and took away the tax relief that they could have given to the people of this state.

Marcello: How much longer do you foresee Texas having the luxury of surpluses in the treasury?

Agnich: Well, I don't think it's going to last much longer for a number of reasons. One, our oil production is declining rapidly now so that in the future it will not provide the kind of income it has in the past. We've been safe so far because of the rather dramatic increase in the price of gas and oil, but I don't foresee that happening in the future, because government is just . . . they're going to put some limits on them; well, they already have. Secondly, we have built into our system now on-going programs that have an ever-escalating cost, and I'm not here talking about inflation. I'm talking about the increase in the planning and magnitude of these programs from year to year. So it seems to me that we're going to face a tax increase down the road. I cannot predict when, but I think we're going to have some very severe ones just to keep the level of programs we now have without paying for any new ones.

Marcello: In other words, some governor down the road is not going to be as lucky as Governor Briscoe.

Agnich: That's right. Governor Briscoe has maintained the stance that, of course, taxes have not been increased during his administration. Well, that's not true. Number one, because local school taxes have increased dramatically under his administration. Then I only have to point out that state spending has increased at a far greater rate under Governor Briscoe than under any governor in history of this state.

Marcello: Let me ask you a couple of more general questions before we get down to some of the more specific issues of the session. Some commentators have observed that during this past session there was perhaps a "watershed" in Texas politics, in that many differences in the Legislature reflected urban-rural differences rather than conservative-liberal differences. Did you find this to be the case?

Agnich: Yes, I think that more than in past sessions in which I've served, there had been more of a urban-rural split, though, I think perhaps it may have been overplayed. I personally don't believe it's been of the magnitude that most people think. But there most certainly has been some of it.

Marcello: In general, how would you rate Speaker Clayton's performance during the 65th Legislature?

Agnich: Well, I was quite disappointed in Speaker Clayton's performance.

I don't speak that from a personal point of view. Certainly, he has been more than fair to me; I have no complaint whatsoever. He certainly has treated the Republican members of the House with absolute impartial fairness, and I think none of them have any complaint on that score. But my great complaint is . . . well, it's twofold. I refer to, one, his in effect selling out to the school superintendents on that tax relief to the people, which I consider to be a direct violation of his word and inexcusable. Secondly, the Appropriations Committee of the 65th Legislature was the worst that I have ever seen by far. To me, it's unbelievable that the Appropriations Committee could pass on a bill that spent far too much money and then turn and on the floor of the House amend its own bill downward because it was so bad. Chairman Presnal, who is a good friend of mine and a fine man--an honest man--displayed absolutely no leadership on that committee; no effort was made to stop the bargaining, the logrolling, the trading off. I think it was just an absolute farce; and we might as well have not had an Appropriations Committee, the way it worked.

I think that, of course, you have to lay directly on Speaker Clayton's doorstep, because in the 64th Session, I asked him about the Appropriations Committee. He said, "Don't worry. It's going to be really fiscally conservative." It wasn't. So I got all over him this time before the start of

the session. He assured me it was going to be different, and it wasn't different. Now the speaker could have straightened that out if he had wanted to.

Marcello: What would you specifically criticize Presnal for with regard to the conduct of that Appropriations Committee?

Agnich: Well, there was obvious an open bargaining on the committee, as a matter of fact, in front of witnesses. I can remember one occasion where one of the representatives said, "Now wait awhile. You promised to vote for this thing if I voted for your appropriation." Now right out in the open he was just saying, "Well, okay, fellow, you vote for me, and I'll vote for that boondoggle of yours." Chairman Presnal made absolutely no effort to stop it. Now the chairman of the Appropriations Committee can stop it if he wants to.

Marcello: In other words, are you saying, in effect, that Presnal more or less lost control of his own committee?

Agnich: Well, I don't think he ever tried to control it, as far as I know.

Marcello: How did the appropriations process take place this time? In other words, you have the recommendations of the Legislative Budget Board; the governor presents his budget, for whatever that's worth; and then, of course, the speaker, I suppose, through his Appropriations chairman also has a budget that he thinks the state should operate on.

Agnich: Well, you have a governor's budget which the members of the committee customarily look at very carefully for at least ten seconds before they throw it in the wastepaper basket; they (chuckle) totally ignore that. Then the Legislative Budget Board has a budget, and that, of course, is given much more serious consideration. Ordinarily, you start with that budget, see, and you work from there. We're supposed to have zero-based budgeting, so you're supposed to go all the way through.

This time, however, the Appropriations Committee did not consider that at all. All they considered were the reports of the substantive committee, the recommendations that were different or greater than the LBB; they just assumed that the LBB budget was the rock base, which it should not have been.

I really was so disgusted that there were a number of times I just left the meeting, and I wasn't the only one just left in total utter disgust at the kind of farce that was being played. One of the members of the House, Representative McBee from Del Rio, happened to be sitting in on one session. She's not a member of the committee, but she was listening. I happened to walk out to get some coffee, and she said to me, "My God, is it always this bad?" I said, "Well, honey, yes, it is this session, but it never was in the past." It was just unbelievable.

Marcello: Okay, now one of the first bills of major importance that con-

fronted the legislators was the highway construction bill.

Was this entirely surprising to you that this bill was presented early in the session? Or had you had some hints about this even during the interim?

Agnich: Well, I was aware that there was going to be a need for additional financing for a highway program. I don't think anyone really doubted the fact that there had to be a need. Now I voted against the bill. I did it on two grounds. One, it avoided, again, the normal appropriative process; it never went through the Appropriations Committee, period; it hit the floor. That, to me, is intolerable. Regardless of the need or anything else, there was plenty of time to give that request very careful consideration.

Marcello: Now this occurred because the governor labeled it as "emergency" legislation.

Agnich: That's right.

Marcello: And in so doing, it can bypass the usual appropriative process.

Agnich: It can. It should not have. It doesn't have to; it could go through. I was greatly concerned by that alone. Also, in the debate on it, nobody ever presented a program, "What was the money going to be used for? Did we need all of that money? Or did we need part of it?" At the time, of course, we were aware that we were going to be faced with a massive school financing program. I was concerned, you know, that by the end

of the session all of the money was going to be gone, and, sure enough, it was.

Marcello: Awhile ago you mentioned that there was, of course, no relief for the property owner. Do you see a direct relationship between that lack of relief for the property owner and that highway appropriations bill?

Agnich: Well, part of it, of course, was . . . part of the expenditures, of course, were unusual because of that highway thing. But I'll make this prediction, that if we never had a highway bill in this last session, the taxpayer still wouldn't have gotten one dime of relief. Now there's just no way. I've observed, I think, before perhaps in these interviews that an unexpended balance in the state treasury has all the attractiveness to a legislator that a slightly intoxicated, oversexed blonde has to a man who has been marooned on a desert island for three years. He can't keep his hands off it, you know (chuckle). That's just what happened; they spent it all.

Marcello: Evidently, there was a rather massive lobbying effort undertaken by the highway interest both before and during the session.

Agnich: Well, there always is in a bill of any importance. I don't think that was anymore unusual than . . . you know. This always happens; whoever's interested in something, you're going to lobby for it. In an important bill, you'll have a lot of lobbying. Now the highway people . . . I've generally

been very close to the Good Roads Association people and that kind of thing, because I believe in a good road system. They came to me, and I said, "There's no way. I'm going to vote against it," and they almost fainted. They asked me why, and I've already explained why.

Marcello: Some people said it was fiscally irresponsible for the Legislature to commit itself to a highway bill with other requests for spending still to be considered. Would you care to comment on that observation?

Agnich: I did already a little bit . . . pointed out that we had other massive requirements, and that should have gone through the Appropriations Committee in order to determine whether we had that kind of money or whether it was more important to spend the money elsewhere or, in my case, at least, to give some back to the taxpayer.

Marcello: What did you think about the idea of using money from the general revenue fund and then federal revenue sharing money to help finance that highway bill?

Agnich: Well, I would have preferred myself, though I have been adamantly opposed to taxes, I would have preferred an increase in the gasoline tax, because I firmly believe that the people who use the highways should pay for them, and that's the way they do it. I think that would have been a much more sensible way of doing it than dipping into general revenue.

Marcello: I think that this is essentially what Comptroller Bullock wanted to do, did he not?

Agnich: Yes, that's right.

Marcello: Okay, let's talk about another issue that was very, very important during this session. Of course, I'm referring to the school finance bill. If you were to write a school finance bill, what sort of a bill would you have liked to have seen come before the Legislature during the 65th Session?

Agnich: I would have written a bill that would paralleled the recommendations of the House interim committee on alternative methods of public school financing of which I was a member. I might add that Tom Massey, chairman of the Education Committee, was also chairman of that committee. Everybody on that committee was unanimously for that thing, but during the session almost all of them flaked off and voted the other way.

Essentially, what I would do is provide for 100 percent financing of the minimum foundation program by the state. My reason for it is that you greatly simplify things when you do that. You no longer then have the argument about appraisals and evaluations across the state; that'd be the local district's business and no one else's. You wouldn't be facing all the furor about, you know, "who's appraising what and how are we going to set up standards," and all sorts of foolishness that you don't need.

In the interim when we studied the school finance program,

we had computer run after computer run. We came to the conclusion, because it was obvious, that nobody understood it--not the Central Education Agency . . . nobody understood how we go about computing all these things. You could get any kind of figures you wanted; it's so complex that it's unbelievable and understandably so, because our school finance program is a product of now twenty-seven years of legislative compromise. See, when you don't have 100 percent school financing, then you get into this rural versus urban conflict; you get all sorts of trouble . . . south Texas against the Panhandle. It depends on where the poor districts are versus the rich districts.

I would just simply provide for 100 percent, and at the same time, I would have made it mandatory that the local school boards reduce their taxes by an amount equivalent to the additional money they're getting from the state. Now I remember saying in committee that if you don't do that, there isn't a school district anywhere that will reduce its taxes. Look what happened in the school finance bill. When we tried to put some taxpayer relief in, every school superintendent in the state descended upon us. They didn't want to cut taxes even though they were getting much more money out of the new program.

I also put in . . . part of that report that I recommended

. . . as a result of my suggestion, and the committee adopted it, that local school boards could not raise taxes without a vote of the people. That vote would have to take place on the same day of the school board election. Now that would have made honest men (chuckle) of every school board member in this state, I'll guarantee you. It would have halted this ever-increasing spiral of school costs, which I think is needless; you don't have to do this.

Marcello: I assume you would also argue that a 100 percent financing would allow more funds for local enrichment.

Agnich: Yes. But they would have to let the local voters vote on it. Sure, I believe in local enrichment. At the same time, 100 percent school financing would provide a very simple method for equilization obviously. Now it would be pretty straightforward then; you wouldn't have any conflict of one district against the other. The state could distribute those funds as it saw fit.

Marcello: Opponents of 100 percent financing always voice a fear that this will mean control of local education by Austin. How would you answer this?

Agnich: Well, let me put it this way. (Chuckle) You know, whenever you furnish money to anything, you wind up controlling it. I don't think there's any question about that. To the extent that the state paid for the education costs in a district, it

would control it. Now remember, you have local enrichment, you have capital construction, other things, that do not come under the minimum foundation program, and those would be less. But it's only a question of whether you have 85 percent or 100 percent control. (Chuckle) You've already got that control.

Marcello: What sort of a role did TSTA play in this particular legislative session with regard to the school finance bill--Texas State Teacher's Association?

Agnich: Well, they, of course, were primarily concerned with one phase of it, and that was that the state should spend as much money as possible for education. You see, they, of course, pushed very hard for a massive increase in teachers' salaries. But at the same time, they also push for all sorts of massive increases in new programs. That's a part I don't understand, because I think they're cutting their own throat when they do this. You get so many more and more and more new programs that obviously you have less money to pay present teachers adequately.

Marcello: Now did you want to see the bill for teachers' salaries attached to the general public school finance bill, or did you want to see two separate bills?

Agnich: I think it ought to be part of the same package, yes, because, after all, your main cost in education is salaries. So if you're going to talk about school financing, I think you ought

to talk about the whole works.

Marcello: Also with regard to the school finance bill, there was quite a bit of controversy about whether agricultural land should be taxed according to its productive value or its market value. What was your particular position on this issue?

Agnich: Well, unlike most urban legislators, I was for taxing agricultural lands on a productive basis for a number of reasons. One, we're driving farmers off the land; there isn't any question about it. You go look across the state, and real estate taxes get to be so hard that there's no way that that land can be used for agricultural. Then what happens, of course, is that it's diverted to other uses and sold, because there's no way you can farm it.

I've maintained for years that our real energy shortage is going to be food energy. There are more and more and more people and less and less land upon which to grow the foods to feed them. We're beginning to reach the upper limit when it comes to efficiency of production and everything, and I just foresee great troubles down the road. I think the day's going to come when we're going to, you know, rue the day that put so much of that agricultural land to other uses.

There were valid protections in there; it wouldn't have really hurt anybody. I think that was just a . . . I don't know, a "red herring" that they threw across the path of it,

because it provided that the farmer, if he changed the purpose of the land, would have to go back and recapture the taxes. I strongly believe in it; I voted for it . . . tried to get it passed. I think we made a mistake when we couldn't get it all through.

Marcello: Evidently, the House at least finished up on its public school finance bill in a fairly reasonable time in order to give the Senate enough time to come up with a bill of its own or to consider the House bill. But evidently, it bogged down in the Senate as did a great many other bills during this session.

Agnich: In the Senate, yes.

Marcello: Now, of course, being a member of the House, perhaps you didn't know too much about what was going on over in the Senate, but it seemed to me as though a great many of the really important pieces of legislation seemed to bog down in the Senate this time around. Was this the case?

Agnich: Yes, and I think a lot of it was deliberate. Certainly, some of it was worthwhile. The delay in the highway bill helped without any question, and we probably got a better highway bill out of it. I'm not sure that the school finance bill was helped or hurt. As I said at the time, you know, we could have ten special sessions and the bill that would come out would be no better or no worse than the one we passed. You know, it

was inevitable if you pass something like that; there really wasn't that much difference.

The Senate, of course, operates differently than the House. I don't think they operate as much on the merits of the proposition as they do the inner-relationship between the various members of the Senate and between the senators and the lieutenant governor. It's quite a different setup than you have in the House.

For instance, in the appropriations bill in the House which we debated at great length and for a number of days . . . in the Senate . . . I really teased Senator Carlos Truan from Corpus Christi because he got up and he asked Dean Aikin, chairman of the Senate Finance Committee, a question, you know, about the finance bill. I said, "Carlos, you ought to know better than to ask him a question about the finance bill. All you're supposed to do is vote for it!" That's what Aikin told them (chuckle)--the same thing. It's silly.

Marcello: Okay, let's talk about another topic that came up during the legislative session, and you have eluded a little bit to it . . . property tax reform and, more specifically, the recommendations of the Peveto Commission. Now in general, how did you feel about the recommendations that Representative Peveto's committee put forward?

Agnich: Well, I generally favored them. I thought that that was a

pretty reasonable approach to the property tax problem. I think, however, that anything of that nature is simply . . . oh, more in the nature of a palliative than a cure. I think that down the road one of these days we're going to have to face the hard question, that is, should we totally abandon real estate taxes? I think I'm coming more and more to the conclusion that, yes, we probably ought not to do it. There's one real good reason.

All through that session, we had people that get up and cry about that we don't tax intangibles; we don't tax bank deposits; we don't tax stocks and bonds; we don't tax the diamonds or jewels or fur coats or whatever. Well, there's a very good reason for not taxing intangibles, and that is that nobody has ever figured out how to do it.

In the late, lamented Constitutional Convention, I served on the Finance Committee, and I posed a question to all of the various experts who came to testify, "Do you know of any taxing authority in this country that taxes intangibles?" The answer was, "No." Of the thousands and thousands of taxing authorities in this country, it simply isn't workable. Yet, it is patently unfair to tax a home, you see, because the home represents an asset; you've already paid your income tax and everything on the money used to build or to buy that home. Whereas, you can turn around and you buy stocks and bonds, and

you don't pay any taxes on them.

Marcello: How did you feel about the idea of having a single taxing unit for each county as was recommended by the Peveto Commission?

Agnich: I was strongly in favor of that. Yes, I think that makes sense. You ought to have at least a common system of appraisal. The rates would vary within the taxing authorities within that county, obviously, according to their needs. But it, to me, makes no sense as is the case now, where you have a home and it may lie in anywhere from two to fifteen different taxing authorities. You know, you've got the state; you've got the county; you've got the school board, junior college, hospital district, water district--go on and name it. That house . . . you know, one tax roll carries it at \$40,000, another at \$10,000, another at \$80,000. It's preposterous. It's the same house; it hasn't moved any. That doesn't make any sense to me.

Now, of course, it was fought bitterly by a lot of people, because, face it, across the state, particularly in some of our smaller counties, say, you know, the appraisal is a pretty good political weapon. These people, naturally, they don't like to have their little kingdom disturbed, and so they fought it bitterly, because they could see in it--and it was true--a threat against what they were doing.

Marcello: Another topic that was unsuccessful in getting anything done about it was the repeal of the sales tax on utilities bills or

a reduction in that sales tax. But here again, I assume that this all goes back to the spending that was done for the other programs.

Agnich: That's right. By the time we got around to it, why, of course, you know, it became impossible to do anything. Because you'd spent so much money in other things, why, there just wasn't any taxpayer relief again. I think that was one place where tax relief could well have been put in, because obviously our utility bills are getting higher and higher, and they're going to get a lot higher than they are now. That would have been one way to cut down at least a little bit on the cost.

Marcello: Representative Agnich, as I look back upon your legislative career, it seems to me that one of the roles that you see for yourself in the Legislature is to fight against legislation as much as to propose legislation as such. Is this a fair observation on my part; is it an accurate observation?

Agnich: No, no, it's not a fair observation. What you should say is that I consider my role to be much more in defeating legislation than in passing it (chuckle). I don't think I've got a high enough rating on that. Yes, because I consider really that fully 90 percent of the legislation that is passed is not needed. Most of it costs money, which you don't need to spend. Most of it complicates our lives.

Every citizen almost hollers about "big government" and

"big brother"; well, every time you pass a piece of legislation, you've got that much more government. Of course, it's the fault of the people to a large extent, because, you know, how many times do you hear someone say, "Why doesn't the government do something about this?" (Chuckle) Well, you're just asking for trouble when they do.

I would like to see a system where everytime you pass a new bill, you've got to repeal an old one. I did one thing this time; I got passed in a voice vote a little bill that repealed sixty-nine old laws that I found. It was a voice vote; nobody knew what they were doing, but anyway, it got rid of them. They were all stupid laws; they all had to do with minnows. Why the state should have sixty-nine laws pertaining to the sale of minnows is beyond me. (chuckle).

Marcello: Now so far as your committee work was concerned, we talked about the Appropriations Committee and so on and so forth. Were you still on the Conservation Committee this time?

Agnich: Oh, no. They had new rules this time, and they're logical rules. If you serve on the Appropriations Committee, you may not serve on any other committee simply because the workload. Now if I run for reelection--at this point I think I will--in the next session, I will absolutely refuse to serve on an Appropriations Committee under Billy Clayton and Bill Presnal. I'm not going to do it; it's just a farce, a waste of my time,

and I'm not going to do that. I'll go back to work in the environmental area.

Marcello: And I think this is an area, that is, the environmental area, where you do have a tremendous amount of interest. Obviously, you have a lot of interest in appropriations, too, but I think we've talked before about your interest in conservation and environmental issues and so on.

Agnich: Conservation and environmental things and the Parks and Wildlife area; I was chairman of the Wildlife Committee. Even in this session, I carried most of the game and wildlife bills for Parks and Wildlife and for other people. I still have enough influence and expertise in that if a bad game bill came up, I was usually able to get it sidetracked in that committee or get it defeated on the floor.

Marcello: Finally, let's talk about the role of Governor Briscoe during this session. What comments would you care to make about Governor Briscoe's role as governor during the legislative session?

Agnich: Well, I didn't see very much of the governor this session, much less than I did in the preceding session. I'm not sure what occasioned that, but that is the case at any rate. I had very little direct contact with him. Where he had positions that I thought were valid, I supported them; and when I thought they weren't, I fought like hell against them.

I don't think that . . . he's certainly not one of the most influential of governors when it comes to the Legislature; he's not really that close to the members of the House and the Senate. I prefer him as governor to . . . I prefer him over what I would call an activist governor, because again I think we have too much governor or too much government. I'd like to see a governor that would do nothing but, you know, make speeches and cut tapes and things like that and don't push any legislation, unless it would be to exert his influence to hold down spending.

For instance, I'm greatly concerned about John Hill. Attorney General Hill is a good friend of mine; I've known him a long time; we're good personal friends. He's a brilliant lawyer; he has a fine mind and, as far as I know, is a man of total integrity and honesty. I hate to see this, but I told him this that, "God help Texas if he became governor," because he is a very active, a very dynamic kind of guy. He's got all sorts of goofy social ideas, and God knows what this state budget would be under (chuckle), you know, Governor Hill if he ever made it. That's why I object to him. I think he's a man tremendously much more capable than Briscoe, but if I had to make a choice, I'd vote for Briscoe (chuckle).

Marcello: As one of the leading Republicans in the State of Texas, what sort of chances do you see the Republican Party having in terms

of capturing the governor's seat in 1978?

Agnich: Well, I have not been as active in the Republican Party this past eighteen months as I was previously because I'm no longer a national committee man for one thing. It developed that I was a little too liberal for some of the Republicans (chuckle) or so they said. But I think if they can get themselves united behind a candidate, they might do very well.

I have an idea Ray Hutchinson's going to run for governor, and, of course, he's going to be a good campaigner. He's a good speaker; he's articulate and respected. I think Ray will make a real race of that part of it.

Of course, it will be determined by factors, as usual, that have nothing to do with the governorship. It's going to depend on how bitter the fight is in the Democratic primary; then we'll see whether this trend . . . it seems to be slightly emerging of continued high unemployment, inflation, and not very good economic signs. If that continues, why, he's going to help Republicans all over, you see. So a lot of it is going to depend upon factors over which you have no control.

Marcello: Representative Agnich, that's all the questions I have. Once more I want to thank you very much for your comments. As usual, you have been most candid, and I'm sure that scholars are going to find your comments very useful when they are able to use this material to write about the Texas Legislature and Texas

politics in general.

Agnich: Well, I hope that it's of some benefit. By nature, I'm somewhat reluctant to be evasive and not speak to the subject. I've found in politics that generally if, you know, you're direct and to the point that you really don't get people mad at you. Tell the truth like it is, you know, or as you see it at any rate; you may be wrong but tell it as you see it. I think that generally is appreciated by people.

Marcello: Well, again, as an oral historian, I certainly appreciate your candid answers to these questions. I want to thank you for participating in our project.

Agnich: Thank you.