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Interview with
Representative Fred Agnich
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(Signature)
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Oral History Collection
Representative Fred Agnich

Interviewer: Dr. Ronald E. Marcello

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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 August 11, 1975, 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 Sixty-fourth Texas Legislature.

Now Mr. Agnich, to begin, let me ask you just a few general questions. First of all, the House was operating under a new speaker this time--Billy Clayton. How would you compare or contrast the Clayton speakership with that of Price Daniel, Jr.?

Mr. Agnich: Well, I think one of the significant differences was that Speaker Clayton did not have a legislative program as such. He didn't have a package of bills much like the so-called . . . in contrast to the so-called "reform bills" of Price Daniel, Jr. I think that's the big difference.

I think that both speakers operated with complete fairness. I don't think you can accuse either one of

them of being either vindictive or certainly not the Mutscher kind of approach.

Marcello: When you say they were both fair, in what manner are you speaking? Committee appointments, I'm sure, would be one of the things.

Agnich: Well, committee appointments, but also in no effort to exact retribution if you didn't vote along with something that the speaker might want. In other words, there wasn't any . . . even though you might fight very hard against a bill--as I remember a couple that Speaker Clayton, I know, was for--nevertheless, the same day I had a bill that I very desperately right then needed to get passed, and he really helped me. Without his help I wouldn't have ever gotten that bill passed. So that's particularly what I'm talking about.

Marcello: Let's go back just a minute to the Constitutional Convention. Now this is when we really see a great deal of activity taking place with regard to the speaker race. You had Fred Head and Carl Parker, and I think that Clayton more or less remained low key during that particular struggle.

Agnich: Yes, he did. I think he was well advised to do so because I can remember a group of representatives . . . I was one. I think about fifteen of us came out and really blasted all of the candidates because we felt

that their campaign for the speakership was really being detrimental to the progress of the Constitutional Convention. That had the effect of pulling them all down. But Billy Clayton never made that mistake.

Marcello: In that early speakership race, toward whom were you leaning, or didn't you have any preferences at that time?

Agnich: I had none. As a matter of fact, I did not commit until very late. As a matter of fact, I would have favored someone entirely different. Bill Sullivant and I had a little fun. We ran him for speaker. It turned out pretty well because we did get quite a few supporters, and then we withdrew at the right time. As a result, we all got good committee appointments (chuckle). So it had the same effect as we would have had if we would have jumped on the bandwagon early.

Marcello: Ultimately, I gather that you did support or go along with Mr. Clayton.

Agnich: Yes, as I stated at the time, I was not wildly enthusiastic about Speaker Clayton. I guess I ought to elaborate on that a little bit.

Marcello: If you don't, I was going to ask you to (chuckle).

Agnich: Personally I can find no fault with him. Billy and I have been friends for a long time. I trust the man.

He runs a fair House. He's as generally conservative as I am. My great concern with him, though, is over fiscal responsibility. He has a tendency, like many of the so-called conservative Democrats, not to be really conservative in the sense that they are not fiscally conservative. You can take all the other criteria you want and throw them away. If I have to make one measurement as to whether a man is conservative or liberal, I will look at his approach toward fiscal matters. I watched Billy Clayton in the Constitutional Convention, and I noticed that he kept supporting PUF--the Permanent University Fund. He supported the new fund that's in the constitution. What'd we call it? SHAFT or SHEAF or something, you know.

Marcello: I think it's SHEAF.

Agnich: Well, we called it "SHAFT." We liked that better (chuckle). It just struck me that this is not the kind of approach that I would like to see taken. There was some evidence of this in this past session, of a little too much of the logrolling in the Appropriations Committee. There wasn't a firm hand at all. That was the worst committee I've ever served on appropriations-wise. It was a question of spending unnecessary money. It was totally foolish. Bill Presnal was the chairman.

He's also a good friend of mine--honest--and I like him considerably. But he works for Texas A & M. How in the devil do you expect that you're not going to have logrolling at universities with him chairman, particularly when the speaker doesn't exercise any influence to get him to hold the line on expenditures?

So I still have that reservation about Mr. Clayton. I think the events of this past Legislature indicate that I was right. We spent far too much money. We spent every dime that we could lay our hands on, plus the surplus. The result is beyond question. We're going to have the biggest tax increase in history next time. I remember reading in the paper where Speaker Clayton said, "Well, it might not be as bad as people say. We might get by with only a \$400,000,000 tax increase." Well, the highest we've ever had is \$300,000,000. But I think he's wrong. I think that tax increase will be at least \$1,000,000,000. That's just absolutely catastrophic. I do still have that reservation about Mr. Clayton.

Marcello: You brought up the whole subject of appropriations, and why don't we just stay on this subject just a little while longer?

Agnich: Alright.

Marcello: Awhile ago you mentioned that the Appropriations Committee this time was perhaps the least effective or

the worst that you have served on. Can you elaborate on that and give some specifics?

Agnich: Yes, I can. I think that the other two Appropriations chairmen I served under were Bill Fink from San Antonio, Neil Caldwell from Angelina, and Presnal. Both Mr. Fink and Mr. Caldwell exerted great leadership in directing the affairs of the Appropriations Committee. Even though Mr. Caldwell is a liberal, he also was pretty hard-headed about unnecessary spending of money, sometimes surprisingly so. In that sense he's not as liberal as people make him out to be. He's liberal in the sense of his priorities. He'd rather spend money on people programs, for instance, than he would on some other area. But when it comes to wanting to have a balanced budget and everything, I think certainly you have to give him credit for it. He would sit down on the committee, make them work. He would talk to the members when he felt they were getting out of line about too much trading back and forth, although there was some done.

But in this committee Mr. Presnal exerted no effort whatsoever, as far as I'm concerned, in the leadership of the direction of that committee. Remember that Mr. Presnal is employed by Texas A & M or some offshoot of it, and that Walt Parker, who is vice-chairman,

comes from Denton . . . he is surrounded by colleges, and God help him if he doesn't vote for them. But I maintain that that is bad as the vice-chairman of the committee, although Walt is a good friend of mine again, because you get that trading. Obviously, if you've got the chairman and the vice-chairman, their colleges are going to do alright. That's not so bad except in order to get that they're going to have to give other goodies to, you know, every other place around the state.

In my estimation we spent, I would estimate, at least \$500,000,000 too much in higher education. I would debate that point with anybody. Our college enrollments are static or declining. Yet, our expenditures are up. I don't know what it is this time--46 to 48 per cent or some such figure.

Marcello: Is this perhaps the area where you think most of the fat could have been trimmed out of the budget, that is, in the area of higher education?

Agnich: Absolutely. Not only in funding what we have now, but the new programs that keep coming up that I think are absolutely disastrous. What we're trying to do with our colleges and universities is try to make them everything to everybody. You want to teach everything that anybody could possibly dream of having. You have

program after program proliferating. The problem is that we're getting away from fundamental, basic education. I think it's a serious matter.

Marcello: Does this perhaps go back to the boom, let's say, of five years ago when every town of any size in Texas wanted its own four-year college or something of this nature?

Agnich: Well, no, it wasn't that so much. It was that each state senator had to have a four-year college in his district. That's the way it worked (chuckle). And, of course, you want to remember that many of the representatives are almost totally at the mercy of the large university in their district because boards of regents are composed of the most influential, most powerful men and women in the area--as they should be. Well, obviously, if a representative doesn't really fight to get everything they think they need, they don't hesitate to say, "Well, look, buddy, we're going to have somebody else in your place next time if you don't toe the line here." They can do it; there's no question about it. It is a vicious lobby.

Marcello: In effect, you are saying that the state-supported colleges and universities do represent a very powerful lobby.

Agnich: Oh, this is one of the most powerful in the state. The presidents of the universities, a lot of them, have

gotten together, combined, as witnessed at the Constitutional Convention--the SHEAF.

Then let's take a look this time, and, you know, you're looking at some of the riders. I was the one that came up with the motion to knock out this business of by rider authorizing construction of buildings in almost all of the universities--133 of them. This is after we had just passed a bill giving the College Coordinating Board the power to approve or disapprove this kind of construction. Frank Erwin in particular is the ramrod of the college lobby. He got together with these college presidents and said, "Look, we better put some little riders in here. By rider we can get these things approved. Then we won't have to have legislative or Coordinating Board approval."

I got them knocked out alright. The Senate knocked them out, but the conference committee--and I might remind you that Mr. Presnal and Mr. Parker were on the conference committee--put it back in again even though both houses had thrown it out.

So, thank God, Mr. Hutchison and I went to Governor Briscoe and really raised Cain. Since he's all for the Coordinating Board, he was concerned. In addition to that, I decided to do a little lobbying.

I know a few members of the boards of regents at some of the colleges and universities who aren't wild money spenders. I got them to call Briscoe and ask him to veto it. So the result was he did veto those things, thank God.

Marcello: In other words, he used his power of line item veto.

Agnich: That's right. And, of course, the question was raised immediately . . . I think Governor Shivers said, "Well, that's not constitutional." Well, we pointed this out to Governor Briscoe that probably it wasn't constitutional. But it didn't matter because to build those buildings they would have had to issue bonds. There "ain't" no way the attorney general could have said they were legal, and in the face of a governor's veto, nobody would buy the bonds. So we told Governor Briscoe, "All you've got to do is veto the things whether it stands up or not. You'll knock them out." It turns out they just let it ride.

Marcello: Awhile ago you mentioned that there was a budget surplus that was on hand at the beginning of the session. How did the presence of that budget surplus affect the activities of either the Legislature or the Appropriations Committee?

Agnich: Well, as I stated before the session began and when knowledge of the surplus turned out to be 1.2 billion

dollars, an unexpended balance in the state treasury has all of the attractiveness to a state legislator that a slightly intoxicated, over-sexed, beautiful, blond female has to a man who's been marooned on a desert island for a year. He can't keep his hands off it (chuckle). In fact, that's exactly what happened, you know.

However, I will say that some of the emergency measures we voted were needed. I don't think that had as much effect as people might think. I simply use the surplus to point out the fact of the magnitude of this spending this time.

Now I spend a good deal of time off and on during the session with Comptroller Bullock, who is, as you know, very controversial. Nevertheless, he is certainly not one to hold back when he has something to say. I asked him early in the session, "For God's sake, Bob, come out with a four-year projection," which he did. If it had not been for that, they would have spent even more money. Mr. Bullock pointed out--I don't think there's any argument with the figures at all--that at the rate of spending we have now achieved, our tax increase next time will be a billion dollars. It could be as high as two billion dollars. That is a crime and a catastrophe. It is totally not needed.

It's one of the worst things that ever happened in this state.

Marcello: You sighted higher education awhile ago as being one of the areas where some of the fat could have been trimmed out of the budget. Were there any other areas where you felt there could have been some rather substantial reductions?

Agnich: Yes, I would say that you can make substantial reductions in almost every state agency in varying degrees, varying percentages. But almost everyone of them has fat that could be cut out. I think that the big place is in higher education although there are other things that are totally needless and absolutely uncontrollable--like the food stamp program. You know, that's a monstrosity. Anybody can qualify for food stamps at the present time.

In the case of welfare, the same thing is true except that it's federal money we're talking about because we really don't spend much state money on welfare in Texas. Most of it is federal money. But it's still a waste of money. Where does it come from? It comes from the states anyway.

Marcello: How much did the presence of inflation influence the spending that was done in the Appropriations Committee? Now obviously it had to be taken into consideration to some extent.

Agnich: Well, the most serious was, of course, the energy costs. In every state agency, in every college, every university, beyond any question there were legitimate needs for increases because the cost of utilities, lighting and heating particularly, rose anywhere from one to three times. So obviously this amounted to a great deal of money. But even when you crank all of that in and everything else, beyond any question it was not necessary to spend that much money.

Marcello: Okay, let's go back a minute and talk a little bit more about Speaker Clayton's committee appointments. In general did you think that he was rather fair in the appointment of the committee chairmen during this particular session?

Agnich: Yes, I think so. Committee selection and committee appointments and questions of whether they're fair or not, of course, depends upon what an individual thinks. I'd say that by and large the committee appointments were fair. There was good representation on them. Some of the committees were imbalanced. Social Services, for instance, was so bad that we had to defeat all of their stuff on the floor because it got loaded towards the "new program" rather than conservatives. On the other hand, State Affairs, which we

lovingly called the "Kill Committee," was probably overloaded the other way in the committee. And, of course, I'm a great believer in killing legislation. Actually, I think that we pass too much. But they did go a little far. But other than that, I'd say by and large I approved of it.

Except the Appropriations Committee. When I talked to Speaker Clayton before the session, I said, "Bill, for one thing, I want to make sure before I even vote for you that we have an Appropriations Committee that is going to be fiscally sound and insist that we practice good financial practices in this state and that we don't go around spending money foolishly. I want hardheaded people on there." Well, it was a farce. I finally got tired of even voting on the damn thing. I got outvoted every time.

I remember Gonzalo Barrientos, who is a freshman legislator from Travis County. He said to me towards the tail-end of the session . . . he said, "You know, I've kept track of your votes. If you had prevailed in every vote that you made, our total state budget for the biennium next time would be slightly in excess of two million dollars." Well, he was being facetious, of course, but I really just

made move after move to try to cut out things that were absolutely not needed.

Marcello: What committees were you appointed to other than Appropriations?

Agnich: Environmental Affairs. That was one of the best committees I've ever served on--excellent committee. I am chairman of the Wildlife Subcommittee. We have three subcommittees. The subcommittees listened to most of the testimony and everything. It was a well-run committee, and it had excellent members on it that were well balanced. I think by and large they did a good job.

Marcello: What do you think was the most important piece of legislation that came before this Environmental Affairs Committee during the session?

Agnich: Well, there were several of them. One of them certainly was the strip mining bill. I'm not going to tell you that I approve of or am happy with what came out. We did get out with a bill, but I'm not sure how much good it would do. But under the circumstances, the fighting with the Senate and everything else, it was the best that could be done. I think that was extremely important.

From an environmental point of view we did increase the representation of the Water Quality

Control Board to . . . perhaps in the sense we cut down some on the influence of the executive director, although I'm not one of his detractors as many people are. Nevertheless, he's a very positive individual. That might help.

We also, oh . . . there were things we needed for a long time. A bill that I carried was complete recodification of all of the parks and wildlife laws. It was a 440-page bill. Everybody said we'd never get it passed. But we did and the governor signed it. It had been needed for a long time. There were, of course, a "jillion" bills, particularly a great many game bills, most of which I thought were good bills since they tended to simplify and to concentrate. Some of them were bad. Most game bills . . . generally my position prevailed, but on a couple of cases I lost out.

Marcello: Let's go back and talk a little about that strip mining bill because, if nothing else, that was the one that probably in this committee received the most publicity. Now awhile ago you mentioned that you weren't entirely satisfied with the final product. Why?

Agnich: Well, you would have to go into a pretty lengthy discussion of it. I wasn't too happy with it simply

because it didn't cover all of the minerals that it should have covered. As far as I know it didn't approach gravel or sand as it needed to. I felt that the bill simply was far too lax. Now I'm not one of these people who say that whenever you do strip mining you've got to restore the land to the original condition. Obviously you can't do it. If you take something out, you won't have as much left. But I simply don't think the bill was well thought out. I felt that there was a lack of knowledge of mining and mining procedures in the whole legislature. I'm a mining geologist myself, and I have some experience in the area.

I think we're going to go at it again this time. I know we are. As a matter of fact, I'm going to serve on the interim committee that is specifically going to look into strip mining. I think we're going to come back again and try again.

Marcello: What was the problem here? Why was it that all of these other minerals besides coal were not included in that strip mining bill?

Agnich: Well, I think that there was a lot of pressure brought to bear by not only people who were mining other minerals but by landowners who had the land and were afraid that if we got too strict, why, the companies would quit mining and they would lose their income.

Marcello: I would assume there would be a heck of a lot of people affected by that strip mining bill.

Agnich: Oh, yes, on both sides, you know. Secondly, Speaker Clayton wasn't too interested in controlling anything except coal, really. I'm not sure why all the fuss occurred. There was a great deal of complaints raised by uranium people against being regulated or controlled. I think you could write a relatively simple bill, and one that would not do undue damage to the mining process.

One of the things we are going to do in this interim study is to look very closely at economic considerations. You must do this. Power requirements, for instance. In your effort to protect the environment, you know, sometimes you'll issue some regulations, and they use a helluva lot more power than you would have used before. Of course, to produce that power you are going to produce that much more pollution, so there's considerable arguments whether you've gained anything. We intend to look at that cost ratio and energy use ratio business quite closely. Our first meeting, I think, is going to be in October.

Marcello: Okay, let's talk about some of the other issues that presented themselves during this legislative session. If you had to chose three broad or general issues in

order of importance during this legislative session, what three would you chose?

Agnich: Well, the first one is really an area rather than . . . that is the financial consideration. I think this transcends in importance everything else because it doesn't make any difference what you're trying to achieve . . . obviously, if you have a bankrupt state or a bankrupt nation, you're not going to have any people programs or anything else. You just simply have to start from that basis. You have to be able to pay for the services you're going to render.

Secondly, you have to take certainly the education problem. It's still not solved. All we passed was in effect a two-year bill. We did not achieve equalization of taxes as is required. The problem . . . and the reason you don't is that nobody ever seems to be able to come up with a simple school finance bill. They've got to tack in all sorts of other things. They keep wanting to put on new programs. It winds up then trying to be an omnibus education bill. Then, of course, the costs simply explode and get all out of reason, and it finally winds up with . . . well, you spend every penny they had and say that's what you get for education and come up with some "Mickey Mouse" things to try to use it. But I just think it was a catastrophe.

I think if we sat down and just threw out everything else and said, "We're not going to touch a damn thing in this bill except financing--equalization of taxes, how we're going to do this, period. Now let anybody run if they want with other issues as a separate bill." You could do it.

Marcello: Let's talk a little bit more about that school finance bill because it did take up a tremendous amount of time during that legislative session. Of course, it all goes back, I suppose, to the Rodriguez decision. I don't think we need to go into the details of it. It's a matter of public record.

Agnich: No.

Marcello: There were several bills introduced during that legislative session. Representative Kubiak issued a bill. Governor Briscoe had a bill.

Agnich: Well, everybody and his uncle had a bill.

Marcello: That's true.

Agnich: Except me.

Marcello: (Chuckle) And one of the things that I noticed in the research that I did was that a tremendous amount of emphasis was placed upon a teacher pay raise rather than implementing that Rodriguez decision.

Agnich: You have hit the core of the problem. The Legislature treated the education bill as a teacher pay raise bill,

and that was a great catastrophe. It should not have been. And, of course, the teachers have a very powerful lobby. There isn't any question. They saw in the Rodriguez decision an excellent means of a vehicle towards dramatically increasing their salaries, and, of course, some of their demands were totally preposterous--\$12,000 a year! That's for a beginning teacher! You know, just a beginning one! That just doesn't make any sense. You can't do it. So beyond any question that was a problem.

And then the teachers would send in telegrams--some of the more militant organizations--saying, "Well, if you want a strike by teachers, in November vote this way or vote that way." And, of course, that made all the Legislature mad. So really we were debating about how much a teacher should get, not about the education bill. I think that's wrong.

Marcello: I guess TSTA was one of the main lobbies in this area so far as teacher pay raises were concerned.

Agnich: Right.

Marcello: They mounted a rather well-organized campaign for that.

Agnich: Oh, yes, that was a very powerful lobby, and I'd totally ignore them. To hell with them (chuckle)!

Marcello: (Chuckle) I thought it was interesting in, I guess, the first vote on that school finance bill in the House. I

think till it was all said and done there was somewhere . . . there was a bill calling for about, I think, a 1.7 billion expenditure which I think nobody . . . I think everybody knew that was not to put in.

Agnich: Well, the first bill was just . . . everybody was having fun. I don't play that game. I voted against them all. But a lot of the conservative members decided that the thing had gotten so preposterous, that they were ready to tack everything on "God's green earth" on it and make it so totally unacceptable that it would go down to defeat, which they did. It got up over two billion dollars. That is, of course, a parliamentary maneuver. If you feel you're in trouble with legislation, sometimes you try to . . . we call it "adorning the Christmas tree"--you know, just stick on little trinkets here, another one there, and something else. Pretty soon the tree falls over because you put too many things on it.

Marcello: I guess most members of the House voted for that first bill because at least they wanted to be on record as having voted for the highest possible teacher pay increase.

Agnich: I did not. You look and I voted against it all the way.

Marcello: But I think it was true for a great many representatives.

Agnich: Oh, it was, yes, a lot of them. They got that vote out of their system, and then proceeded to do in the teachers (chuckle).

Marcello: Another subject in that school finance plan was Governor Briscoe's weighted pupil approach. What was your reaction toward this particular action?

Agnich: I favored the weighted pupil approach, though admittedly it is a controversial approach. You get classic arguments one way or the other. As far as I was concerned, not being an experienced educator, I felt that probably there was little to choose except that when I looked at the figures, for once in my life I voted my district. That weighted pupil bill very definitely helped the Dallas School District. I'm not sure that's a valid reason for voting that way at all, but the only time I do is when I . . . considering all things are equal, well, okay.

Marcello: How can the State of Texas implement the Rodriguez decision in terms of equalizing taxation, which, I think, is in the core of that Rodriguez case. In your opinion, how can this equalization be achieved?

Agnich: Well, I think the first thing you must do . . . that's why I'm in favor of the new finance article of our proposed new constitution. You must have uniform appraisal across the state.

Marcello: Is this the fair market value approach?

Agnich: Yes, that's the simplest way. Now you can use it and a lot of other methods, but as long as you have a set

of standards where every piece of property in the state is appraised according to the same standards . . . as you probably know, at the present time, if anybody has a home, it'll be anywhere from six to fifteen different taxing authorities, and the home would be valued at \$30,000 one place, \$15,000 in another, \$45,000 in another. That's simply stupid. You should have uniform appraisal across the state.

Then the tax rate itself, of course, can vary depending upon the needs of the particular taxing authority. But if you don't have uniform appraisal, then there is no way to insure that you are equalizing the tax burden because it is well known that many of our school districts deliberately underappraise all of the property in their districts. Then they have a fairly high rate and say, "Look how high we're taxing ourselves." So I think that is the first step. Once you accomplish that, then I think you could look very clearly at the picture and determine whether or not a district is carrying its fair load.

The only basis, as far as I'm concerned, for validity in the so-called Rodriguez decision--which, incidentally, was overthrown--is that there are some districts in the United States that simply do not have

the economic base. They just don't have enough property to support a first class school system. Now I totally disagree with any concept that says you have to expend the same amount of money per pupil everywhere. That just doesn't work because . . . you know, particularly in those poorer districts, you may have to spend more per pupil because of the background they have. You may have to have a greater or a lower ratio of students to teachers for instance.

Also, I firmly believe that there ought to be some room left for local enrichment. I think that's perfectly alright that if the people in the school district decide that they are willing to tax themselves higher than anybody else for the purpose of providing something special for their children, they should be allowed to do so. That should not be used as a basis for some other district saying that it is, you know, under . . . that's not having a good educational system. I think we have to try to compare districts on the basis of fundamental education, and the frills are something else again.

Marcello: One legislator that I interviewed mentioned that . . . well, the Legislature didn't go all the way

toward implementing that Rodriguez decision, but at least it opened the door and took the first few steps. Do you feel this is possibly true?

Agnich: Oh, yes. It made some progress. Now I don't like your terminology when you say "implementing" the Rodriguez decision because that decision does not have any force or validity at the present time. Secondly, I'm not sure I want to implement the Rodriguez decision as it was handed down. I don't know if that's good for this state or not. But you're talking really about more equalization of taxes and more equality in the quality of the education being offered.

I'd say, yes, we made some feeble beginning steps. Before we're going to be able to do it, though, honestly, I suspect that we're going to have to completely restructure our educational system. I think we have allowed too many things to creep in our educational programs that are not necessary and that simply aren't required for any good, solid, basic education. I don't think that this country or any country in the world has enough money to do all the things that everybody wants to do under the name of education. I just don't think that the funds are there. So I think we need to go back and cut out frills and to cut out some of the programs.

Incidentally, here in Dallas County this is what the Dallas Independent School District is in the process

of doing. We sat down with the school board here. We pointed out to them, "Look, some of these things sound good, but you don't really need them. Cut them out and use your money, then, for where it is really needed."

Marcello: Okay, that takes care of school financing, which, I gather, you believe was one of the top priorities in the session. What was another one that you would consider a top priority?

Agnich: Well, there were a lot of others that were fairly important, but really I think the finances in the schools and education were certainly the top priority thing. I don't really think of a third one that I could pick out as being way above any of the others.

Marcello: Let me throw one out to you then. How about public utilities regulation or the establishment of a public utilities commission?

Agnich: I think that's the biggest farce that was ever developed! I voted against it because all of the testimony and everything else we heard, nobody even claimed that a utilities commission was going to cut anybody's utility bills, period. It's just not going to happen. The only validity whatsoever of any documents for the utilities commission was in the case of perhaps smaller towns and communities that

might not have the legal or accounting expertise to be able to look at utility companies' earnings and determine whether the rates are fair or not. Certainly cities like Dallas, Fort Worth, Houston, Lubbock, and the rest of them . . . they didn't need any help. It was interesting. Where we had direct comparison was in El Paso where the same power company services El Paso, New Mexico and one other state. All of them had utility commissions. El Paso didn't. The El Paso rates were about 25 per cent lower than the other rates. There's just no way.

That to me was one of the biggest demagogic things that was ever invented. I just think it's not going to help one tinker's bit because you simply cannot, by passing an act, give cheap rates. There's no way! The energy costs have gone up. You can look at the power companies. If you attempt to cut too far back on their profits, they're not going to be able to generate enough capital to build the plants that are going to be necessary to supply us with services. The minute you start peeling back too much, you're going to cut down on the quality of your service.

Marcello: I think to one extent during this legislative session the telephone company was perhaps one of its own worst enemies, especially that statement made by the attorney,

however true, that Southwestern Bell could charge virtually whatever the traffic would bear. As he put it, they could charge a thousand dollars for a three-minute long distance call, which might be true, but it's not the sort of thing you would really want to say publicly.

Agnich: Well, yes, that isn't quite as true as you might think because there is competition and all of that. In communications some of them are developing, and Southwestern Bell is getting a little disturbed about some of them. The minute they got their rates too high, you'd find competitive factors coming up against it. Now what hurt the telephone companies . . . yes, it's gotten to be a political football. The case is still going on. You know, certainly the testimony and everything that came out just made it a political football. They're sort of in the position of the oil companies. Everybody's going to jump on them because, you know, it's popular to do so.

Marcello: Now the man who was the principal proponent of some sort of public utilities regulation was Ron Clower. His motives--would you care to talk about them? I've heard all sorts of things said.

Agnich: I think that Ron is probably fixing to run for Congress someplace. That's a way of getting a lot of publicity.

I know Mr. Clower right well. We're good friends. I just think he was completely off base, and I think that in this case he was being demagogic. I really do.

Marcello: Okay, now another issue that came up--and actually it didn't take a lot of time--was the constitutional revision. The Legislature got a constitution out in very short order. How and why?

Agnich: Well, I really (chuckle) . . . it kind of surprised me, too. I think all of us thought we'd have more trouble. But we'd gone through a Constitutional Convention. As you know, we came very close to approving it at the time. Public reaction was, you know, pretty strong about the fact that we'd worked all of that time and we hadn't done anything. The last thing any of us wanted to do was to have another Constitutional Convention whether we were a part of it or not. There was just no need to have that because we'd already done the work. So I think we all felt that basically it was a good document. I dislike parts of it. I'm going to vote against the education article, but on the whole I think it is a dramatic improvement over our present constitution. I think most of the members felt that way.

Marcello: Did you get the feeling that perhaps the legislators had received a certain amount of flak from their constituents

because of the fact that that Constitutional Convention did not come up with a document? In other words, several million dollars was spent during that convention.

Agnich: That's right. There was a lot of criticism about not only spending the money but the fact that we couldn't arrive at some decision. Although I think that as is often the case, the public probably wasn't too fair because that's the only constitutional convention in the history of this country, whether a state or a national convention, that required a two-thirds vote of approval. All the others . . . majority . . . we would not have had any difficulty getting a majority. It was the two-thirds majority that caused the problems. But beyond any question, there was a lot of fuss. There was a lot of criticism of Governor Briscoe because he really could have passed that first one if he'd got after it. So this time he did take a little more active stance or at least wasn't opposing it.

Marcello: In what way did he take a more active stance?

Agnich: Well, I think he simply let it be known that, you know, he was in favor of getting a new constitution out, and we ought to all get together and get it done and that kind of thing. Although he still is lukewarm as far as his feelings about the . . . I think he said he didn't know whether he was going to support it or not.

Marcello: Okay, you mentioned Governor Briscoe. Let's talk a little bit about him. Now how would you compare or contrast his first administration with the present one? You were there while he was governor during the Sixty-third Session and you were also there during the Sixty-fourth Session.

Agnich: Well, I think that he firmed up a little in this second session compared to the first one. He was more positive in his approach toward issues. He had more legislation that he actively pushed. I think that was the main difference. He's still, of course, not the dynamic leader type. But on the other hand a lot of people have underestimated his firmness when he wants to be. People would not take him at his word. I always did. When he said, "There isn't going to be a special session, period," that's exactly what he meant. We're not going to have a special session. He's just not going to put up with it. I think he's right.

Marcello: I think the same thing was true in his declaration that there would be no new taxes, at least during this session. I think most legislators did take him at his word on that, also.

Agnich: Oh, well, yes. Well, he did that the first time, too.

Marcello: Yes.

Agnich: I visited with him, and I said, "The best thing you can do, Governor, is just come on out and say you are going to veto. Just veto the whole bill, and let them come back and do it again until you get one where there's no new taxes." Now I tried to get him to carry it for four years, but he wouldn't do it. He has not said that this time, and I don't think he's going to, although it would work. He could, before we go into the next session, just simply say, "I'll veto any appropriations bill that's going to cause a tax increase." And, you know, we'd figure out how to get around that tax increase. It would be real simple. We'd just start cutting.

Marcello: From what you've said, I gather that there was a substantial amount of communications between yourself and the governor--that you had fairly good access to him.

Agnich: This has always been the case. Governor Briscoe and I have had no difficulty communicating. It's perhaps unusual because I'm the, you know, Texas Republican National Committeeman and you would expect that perhaps we wouldn't get along too well. However, I had not blasted the governor, you know, publicly for nit-picking things as perhaps I could have. We've been able to

separate the two hats. When it comes to strict politics, why, we'll beat on each other. As far as I'm concerned, that has nothing to do with running the business of the state. So the relationship has been cordial.

I've helped him a great deal on some of his legislation because I felt it was good legislation. I've found that most of the time the legislation he proposed was legislation that I was strongly in favor of--like the College Coordinating Board bill beyond any question being needed for a long, long time. So I supported him. I supported him generally on his school finance bill, which, I thought, was the best of the ones that were offered.

Marcello: Now I think we've more or less covered three of the areas, or certainly four of the areas, that I thought were pretty important during this session, that is, appropriations, school finance reform, constitutional revision, and the public utilities commission. Are there any other areas that you think we ought to talk about and that you think were important during this past session of the Legislature?

Agnich: Well, there are all sorts of other bills and things that had some importance. Some were good and some were bad. I think one of which there was very little discussion of was a significant one, and that was the

decision on the so-called "super port," not to go with state ownership. I think that is a very fundamental and a very wise decision because . . . it's sort of like, you know, losing your virginity. You know, it's real easy after the first time. About the time we start letting the state get into running businesses, you know, it's going to be some other business next time and then some other business. The first thing you know, the state's going to be competing with private enterprise, which I think would be disastrous. So from that point of view I think that was a very fundamental and a very wise decision.

Marcello: You're referring, of course, to the establishment of a super port for tankers somewhere along the Gulf Coast of Texas.

Agnich: Right, but run by private enterprise, not by the state or not financed by the state.

Marcello: Just one other general observation on my part. This was pretty much a veteran Legislature. In other words, you really didn't have too many freshmen during this session.

Agnich: No, and most of those that were . . . well, that's right. I think most of them were . . . I don't know how many freshmen there were. There weren't too many. More than that was the fact that the preceding

year we had the Constitutional Convention, and so the second term men were the equivalent of three terms, you see, because they had so much more experience. I think that that showed itself. I think the Legislature as a whole was much more mature. In that sense it was a good Legislature.

Marcello: I think the fact that it was an experienced Legislature would, or should have at least, expedited the business of the Legislature. There weren't so many questions, or there wouldn't have been so many questions, with regard to rules and all of this sort of thing.

Agnich: Well, yes, and I don't think there were either. We sort of stabilized our rules. The process started with the overthrow of Gus Mutscher under Speaker Rayford Price, and that's when the real fundamental reform was made. I keep reiterating to people that they just don't give him the credit that he deserved. It wasn't Price Daniel, Jr., that reformed it. It was Rayford Price that did it. Now we have by and large stuck very close to that.

I dislike some of the trends I see. I've seen or sense this time a little bit of the return to some of the old days and some of the rules. I don't like it. But by and large, of course, the contrast between now and the Gus Mutscher days is like day and night. At

least everything's out in the open and you get a pretty fair shake.

Marcello: I just thought of another question with regard to the Appropriations Committee that I wanted to bring in earlier but neglected to do so. Clayton started the practice of having other committees or at least other committee chairmen sit in on the deliberations of the Appropriations Committee where those deliberations affected some other particular committee. Did you like this idea or did this foul up the activities of the Appropriations Committee?

Agnich: It certainly fouled up the activities of the Appropriations Committee, but it had some side benefits because I think the members were perhaps more knowledgeable of the appropriative process. I don't know that it's a good idea. I'm still not convinced that it is. We've gone through the first . . . I guess the trial run. I think that next time is going to see whether it's really going to work or not. I would be more against it except that that isn't quite fair because this was the first time and really nobody knew much quite what we were doing and what we should have done differently. Again, I would say that a good deal of its effectiveness depends upon the chairman of the Appropriations Committee and how he handles

the appropriative vice-chairman. By and large many of the committees were surprisingly conservative in their approach and cut back drastically on some of the appropriations, many of which was going back in later. But it remains to be seen.

Marcello: Well, Representative Agnich, that's all the questions I have. Is there anything else that you would like to get into the record at this time?

Agnich: No, I think we've about covered the Legislature. I think I would like to reiterate what I've been saying all along. That is that we as people--not only as a state but as a nation--we have to recognize that the government can't be all things to everybody. Far too often we hear people say, and I have said it at times, "Why doesn't the government do something about it?" Well, the government shouldn't be doing something about it. We'd all be far better off if we got government out of all of this interference in our private lives. The problem is that once you start regulating something, then you find out it doesn't work because you didn't regulate something else. The process snowballs, and the cost, of course, becomes absolutely horrendous.

The inevitable effect of that kind of a system is socialism. I think beyond any question that unless

we cure our financial problems we're going to see the end of democracy as we know it. We're going to have socialism. I think that's the real great problem facing us.