

California State Archives
State Government Oral History Program

Oral History Interview

with

MICHAEL FRANCHETTI

Deputy Attorney General, 1969-1978;
Chief Deputy Attorney General, 1978-1982;
Director of Finance, 1982-1984

December 7, 9 and 15, 1993
Sacramento, California

by Donald B. Seney
California State Archives

RESTRICTIONS ON THIS INTERVIEW

None

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PREFACE

On September 25, 1985, Governor George Deukmejian signed into law A.B. 2104 (Chapter 965 of the Statutes of 1985). This legislation established, under the administration of the California State Archives, a State Government Oral History Program "to provide through the use of oral history a continuing documentation of state policy development as reflected in California's legislative and executive history."

The following interview is one of a series of oral histories undertaken for inclusion in the state program. These interviews offer insights into the actual workings of both the legislative and executive processes and policy mechanisms. They also offer an increased understanding of the men and women who create legislation and implement state development in California state government and of how both the legislative and executive branches of government deal with issues and problems facing the state.

Interviewees are chosen primarily on the basis of their contributions to and influence on the policy process of the state of California. They include members of the legislative and executive branches of the state government as well as legislative staff, advocates, members of the media, and other people who played significant roles in specific issue areas of major and continuing importance to California.

By authorizing the California State Archives to work cooperatively with oral history units at California colleges and universities to conduct interviews, this program is structured to take advantage of the resources and expertise in oral history available through California's several institutionally based programs.

Participating as cooperating institutions in the State Government Oral History Program are:

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The establishment of the California State Archives State Government Oral History Program marks one of the most significant commitments made by any state toward the preservation and documentation of its governmental history. It supplements the often fragmentary historical written record by adding an organized primary source, enriching the historical information available on given topics and allowing for more thorough historical analysis. As such, the program, through the preservation and publication of interviews such as the one which follows, will be of lasting value to current and future generations of scholars, citizens, and leaders.

John F. Burns
State Archivist

July 27, 1988

This interview is printed on acid-free paper.

TABLE OF CONTENTS

INTERVIEW HISTORY i

BIOGRAPHICAL SUMMARY. iii

SESSION 1, December 12, 1993

[Tape 1, Side A]. 1

Parents' origins in Italy--Migration to the United States--Family businesses in Sacramento and northern California--Early life in Redding--High school and college education--Family's interest in politics--Becoming a Republican--Attending University of San Francisco--Serving in the army in Vietnam as a legal officer--Applying for job at the Sacramento County District Attorney's office--Securing a job as deputy attorney general--People committing crimes--Thomas Lynch as attorney general of California.

[Tape 1, Side B]. 28

Thomas Lynch as attorney general; a narrow view of the office--Charles O'Brian running against Evelle Younger for attorney general in 1970--Evelle Younger--Younger's organization of the attorney general's office--Becoming legislative advocate for the attorney general's office--Younger's selection of subordinates and running of his office--Maintaining the office of attorney general when the incumbent seeks a higher office--The effect of the Watergate scandal on Younger and the Republicans in California--Younger considering running for governor in 1974--The effect of Proposition 13 in the 1978 election--Younger's office studying Prop 13 before the election--The 1978 general election; Younger in Hawaii--The problem of the 18-year-old vote and the 26th amendment to the U.S. Constitution in 1971--Younger developing legislation as attorney general--The death penalty issue and legislation--Death penalty initiative, Proposition 17, November 1972.

[Tape 2, Side A]. 57

Attorney General Younger supporting the death penalty law--Cooperation of the district attorneys in drafting the death penalty law--Senator Milton Marks' position on the death penalty--Court reform legislation, incompetent defense and grand juries--The California Assembly Justice Committee--The effect of the attempted assassination of U.S. President Gerald R. Ford on the passage of criminal sentencing legislation--Hand gun purchase waiting period legislation--George Deukmejian as a state senator and his ambition to be attorney general--Differences between Younger and Deukmejian--The role of Mildred Younger--Younger voting to confirm Rose Bird as chief justice on the advice of Mildred Younger.

[Tape 2, Side B]. 86

Younger voting to confirm Rose Bird as California Chief Justice--Younger's view of voting on judicial nominees--Deukmejian's ambition to be attorney general--Deukmejian using the office of attorney general differently than Younger--Becoming Attorney General Deukmejian's chief of staff--Younger's running of the office of attorney general--Younger's problems controlling his division heads: a case in point, the environmental division--Younger's reorganization of the office on becoming attorney general--Deukmejian's organization of the office of attorney general--The attorney general's office--Serving as chief of staff--Deukmejian's style as attorney general and decision maker--Changes in the office made by Deukmejian.

SESSION 2, December 9, 1993

[Tape 3, Side A]. 115

Younger's election campaign for governor in 1978--Preparation for the debates with Jerry Brown--Younger's management of his campaigns: the role of Charles Backeley--Younger combining his campaign for governor with Mike Curb's campaign for Lt. governor in 1978--The use of campaign consultants: the 1974 and 1978 campaigns--Younger supporting President Gerald R. Ford at the 1976 Republican national convention--Ronald Reagan at the 1976 and 1980 Republican national conventions--The Reagan organization in California--Mike Curb as

heir to the Reagan organization--The Republican plan for Curb to be governor and Deukmejian to be attorney general--Deukmejian refusing to go along with the plan--Deukmejian's desire to be governor--The limited power of the attorney general's office--The belief that Curb was not competent to be governor--The importance of the Armenian community to Deukmejian's campaign for governor--Lt. Governor Curb appointing judges while Governor Jerry Brown was out of state--The campaign against Rose Bird.

[Tape 3, Side B]. 142

The campaign against Rose Bird--Reapportionment issue in the campaign against Rose Bird--Justice McComb leaves the California Supreme Court--Jerry Brown as governor and as a political personality, his runs for the presidency, his management style and his relationship with the legislature--Governor Deukmejian's relationship with the legislature--Jerry Brown's dilution of the power of the governor--Jesse M. Unruh as treasurer of California--Working with Unruh during the 1983 budget crisis--The full-time legislature--Unruh as California Assembly speaker--Bob Monagan--Bob Moretti--Willie Brown--George Moscone.

[Tape 4, Side A]. 168

The effect of Ronald Reagan and his followers in the 1970's--Reagan's overall plan for politics--Leo McCarthy as assembly speaker--The attorney general's office under Younger and Deukmejian--The crime-fighting unit in the attorney general's office under Deukmejian--Special prosecutions unit and organized crime--Problems with police intelligence--The divisions of law enforcement--Serving as chief deputy to attorney general Deukmejian.

[Tape 4, Side B]. 194

Serving as chief deputy to attorney general Deukmejian--Deukmejian deciding to run for governor--The attorney general's office handling of matters once Deukmejian decided to run for governor--Opposition of the Republican leadership to Deukmejian for governor--The first year as attorney general and changes made in the office--Planning the campaign for governor--Being responsible for the attorney general's

office during the campaign for governor--The primary against Mike Curb--Charges that Curb had made illegal payments when he was a record company executive--The general election campaign in 1982 against Tom Bradley--The use of absentee ballots--Bill Roberts raising the race issue in the campaign--Deukmejian opposing any mention of race in the campaign--The effect of Proposition 15, the gun control initiative.

SESSION 3, December 15, 1993

[Tape 5, Side A]. 223

Planning for Deukmejian's transition to governor--The 1982 budget crisis and becoming director of finance--Election night 1982--Taking over as director of finance during the transition--The problems with the last Jerry Brown budget--Beginning to run the department of finance, selecting personnel--The Republicans in the assembly agreeing not to override Deukmejian vetoes--The conservative Republicans in the assembly--The quality of the staff in the department of finance--The department of finance culture--The ability to change things in a transition between administrations--Handling the budget deficit--Imposing fees on community college students--Deukmejian's opposition to the Coastal Commission--The governor's power over the budget process in California--Solutions to the 1982 budget crisis.

[Tape 5, Side B]. 250

The proposed use of the sales tax to meet the 1982 budget deficit--Lack of accuracy in the media--Becoming Director of Finance with no extensive budget experience--Cutting spending; the example of the Agricultural Labor Relations Board--Implementing the governor's policies through budget cuts--Confidence and support of the governor to Mr. Franchetti in the Department of Finance--Cutting the number of staff attorneys--As Finance Director, deciding not to spend money the legislature had appropriated--Differences in the first Deukmejian budget--The usual budgeting process--David Stirling as head of the Agricultural Labor Relations Board--Deukmejian supporting David Stirling over George Nicholson in the 1982 Republican primary for attorney general--

Considering running for attorney general--
Nicholson seeking the support of Mike Curb in the
1982 primary--Deukmejian later appointing
Nicholson to the municipal court.

[Tape 6, Side A]. 271

The Hillside Strangler Case and its effect on
John Van de Kamp--Stephen Merksamer becoming
Governor Deukmejian's chief of staff--Merksamer's
career--Deukmejian's staff--Ken Khachigian--Sal
Russo and Governor Deukmejian's use of the media
in 1983--The politics of the governor's office--
Liaison with minority groups from the governor's
office--Legislative affairs staff to Governor
Deukmejian--The governor's press secretary--The
fight over Franchetti's confirmation as director
of finance--FBI investigations of California
government in 1976-1977--Investigation of
Lt. Governor Mervyn Dymally.

[Tape 6, Side B]. 298

Confirmation as director of finance and the rumors
about Lt. Governor Mervyn Dymally--Governor
Deukmejian's reaction to the failure to confirm
Franchetti--Suing Dymally for slander--Leaving the
administration and starting his own law firm--The
newspaper and media reaction to Franchetti's
rejection--The Democrats' response--Meaning of the
experience to Franchetti.

[Tape 7, Side A]. 324

Franchetti's leadership of the department of
finance--Putting a budget together--Estimating
reserves--The department of finance's oversight--
Governor Deukmejian's cabinet meetings--The
need to discipline subordinates--Agency and
departmental heads becoming the advocates of their
organizations--Influencing Governor Deukmejian--
The importance of staff to good decisions--Closing
the loopholes and eliminating tax exemptions.

[Tape 7, Side B]. 351

The problem of confirming Carol Hallett as state
parks director--The rejection of Victor Veysey as
director of the department of industrial
relations--The Sebastiani reapportionment
initiative--The legislature refusing to let
Governor Deukmejian move into the new governor's

mansion--The hostility between the legislature and the governor during the first months of Deukmejian's administration--David Roberti as senate leader--Willie Brown as speaker of the assembly--Serving on the state lands commission--The franchise tax board--Other boards on which the director of finance is a member--The fiscal situation in California--Proposition 13--The growth in the prison system.

[Tape 8, Side A]. 378

The growth of the prison system--Assessing the Deukmejian governorship--Supporting the state university systems--Changing environmental policies--Health and welfare policies--Budget and fiscal problems--Franchetti's activities and politics today--The law firm of Franchetti and Franchetti.

[Tape 8, Side B]. 405

Lobbying work after leaving the Deukmejian administration--Lobbying before administrative agencies--Legal and consulting work--The reality and perception of corruption in lobbying--Corruption in the legislature--The effect of term limits on the legislature--Limiting the length of the legislative sessions.

NAMES LIST. 1-14

INTERVIEW HISTORY

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Interview Time and Place:

December 7, 1993
Office of Michael Franchetti, Sacramento,
California
Session of two hours

December 9, 1993
Office of Michael Franchetti, Sacramento,
California
Session of two hours

December 15, 1993
Office of Michael Franchetti, Sacramento,
California
First session, two hours
Second session, two hours

Editing:

Seney checked the verbatim manuscript of the interview against the original tape recordings, edited for punctuation, paragraphing, and spellings, and verified proper names. Insertions by the editor are bracketed. The interviewer also prepared the introductory materials.

Mr. Franchetti reviewed a copy of the edited transcript and approved it with only minor corrections.

Papers

No private papers were consulted by the interviewer for this interview.

Tapes and Interview Records

The original tape recordings of the interview are in the University Archives, The Library, California State University, Sacramento, along with the records relating to the interview. Master tapes are preserved at the California State Archives.

BIOGRAPHICAL SUMMARY

Michael Franchetti was born November 28, 1942 in Oakland, California. He attended St. Joseph School in Redding, California from 1947 to 1956. He graduated from Shasta High School in Redding, California in 1960. He gained his college education at the University of San Francisco; he received his B.A. in 1964 and graduated from the School of Law in 1967.

From 1967 to 1969 Mr. Franchetti served with the U.S. Army, part of that time in Vietnam, holding the rank of captain. Originally assigned to a railroad unit, while in Vietnam he soon took on the duties of a legal affairs officer. In that capacity he arranged court martials, worked with discipline problems among the troops, and dealt with the civilian population.

After leaving the U.S. Army in 1969, Mr. Franchetti joined the California Attorney General's Office as a deputy attorney general. During his early career there he reviewed criminal cases and prepared arguments.

After the election of Evelle Younger as attorney general in 1970 Mr. Franchetti was asked to represent the attorney general's point of view on bills pending in the legislature, eventually heading the legislative affairs unit in the attorney general's office. While in this position he came to know State Senator George Deukmejian.

When Mr. Deukmejian was elected attorney general in 1978, Mr. Franchetti became the chief deputy attorney general. In this position, as the number two person in the office, he was responsible for day-to-day operations of the office. During this period he became a close confidant of Mr. Deukmejian.

When Mr. Deukmejian was campaigning for governor in 1982, Mr. Franchetti was responsible for the operation of the attorney general's office. When Mr. Deukmejian was elected governor of California in November 1982, he asked Mr. Franchetti to join his administration as director of finance. Although Mr. Franchetti had intended to leave government service at that point, he agreed to accept the position.

As director of finance, Mr. Franchetti faced a budget shortfall inherited from the outgoing administration of Governor Edmund G. Brown, Jr. During 1983-1984 the new administration addressed the problems that this situation created. Mr. Franchetti's appointment as director of finance had to be confirmed by the California State Senate, and during that confirmation process, questions were raised concerning Mr. Franchetti's conduct during the 1978 election for Lt. Governor, when Mr. Franchetti was still serving in the administration of attorney general Evelle Younger. Acting on what he understood to be the instructions of the attorney general, Mr. Franchetti made information concerning the Democratic incumbent, Lt. Governor Mervyn Dymally, available to his opponent, the Republican nominee for Lt. Governor, Mike Curb. This incident dominated the confirmation hearing for director of finance. Although the Senate Rules Committee originally voted to approve Mr. Franchetti, the Rules Committee then withdrew his nomination from the senate before a vote could be taken and his nomination was allowed to expire. Consequently, Mr. Franchetti was forced to relinquish the position as director of finance in January 1984. While the information concerning Mr. Dymally played a part in these events, other issues beyond Mr. Franchetti's control also contributed to the rejection of his nomination.

After leaving government in January 1984, Mr. Franchetti formed a law firm with his wife, Tiffany. Franchetti and Franchetti not only represents clients in legal matters, but also lobbies before the state legislature and state administrative agencies and provides political advice to clients, maintaining offices in Sacramento and Sausalito, California.

[Session 1, December 7, 1993]

[Begin Tape 1, Side A]

SENEY: Good morning, Mr. Franchetti.

FRANCHETTI: Good morning, how are you?

SENEY: Good, thanks. I want to start the interview by asking you to tell us about your family background, your grandparents, and your parents.

FRANCHETTI: OK. Actually, this wall here that you can't see on the tape recorder reflects my family background. My father's [Louis Franchetti] family and my mother's [Della Gelfi Franchetti] family all came from Italy. They came from an area in north central Italy which is near a city called Laspozia. My grandfather's name was George Franchetti; he was a businessman. He started here in Sacramento and came around the turn of the century, somewhere in the first decade of the 1900s. Then he moved up to this little town of Kennet, a mining town in northern California. It's north of Redding. Kennet

FRANCHETTI: doesn't exist anymore. It's at the bottom of Lake Shasta, but that's where he and my grandmother married, my father's mother. And they had a hotel and a bar basically. A lot of the Italians would come over, from northern Italy especially, to northern California. A lot of the men would leave for long periods of time to earn money because they were all fairly poor. They came from little villages. And so when you came over, you would go to an area where you knew people. That's how they came to this particular area. My grandfather Franchetti's family was comparatively well-to-do in Italy. He owned some property and he sold it all and brought his mother and came over to be a businessman.

But in 1918, after my father and his brother had been born--they were both little babies maybe twelve months apart or so--he died from the influenza epidemic. So my grandmother as a widow, maybe twenty-two or twenty-three years old, had to handle this business that obviously went broke. She had her two children and she had her sister's children. She was quite an adventurous person. And eventually in about '21 or '22,

she married a man named Marco Dotta. They moved from Kennet to Redding where I was raised.

SENEY: What kind of mining was done in Kennet?

FRANCHETTI: I believe Kennet may have been a copper mine; there is a smelter. You can see the smelter if you look at the picture on the left side. You can see the smoke coming out of there. That area, when I was still a boy, was all ruined. There was so much mining up there; there were so many smelters that all the fumes killed all the vegetation. It's only recently, in the last twenty years, that anything has grown there again, which is kind of interesting.

So at any rate they moved to Redding, and they built the Redding Hotel which is this building on the right here and lived there for the rest of their lives. My father really was raised by his mother's second husband because he never knew his real father who had died when he was just a little baby. When you have a break, one of the funny things we have here is some correspondence that Marco Dotta wrote trying to collect a debt from a fellow named "Jimmy, the Wop," who was apparently

an unsavory character. If you look at the letter, in the lower right hand corner, from the chief of police of Marysville. It is a classic. I had to put it in a frame.

[Pause while Donald Seney reads the letter]

SENEY: Oh, that is funny.

FRANCHETTI: Eventually this guy paid up, apparently. At any rate they lived there, and my father, his brother, and his step-brother, or half-brother, were raised there. And I was raised there. I wasn't born in Redding; I was born in Oakland, but I was raised in Redding and left Redding in about 1960 when I graduated from high school to go to school in San Francisco.

My mother's side of the family had history somewhat similar but a little different. Her father, Peter Gelfi, was born in Italy, and as a young boy was an orphan--as a very small boy, eight or nine years old--he traveled around Italy for a number of years and into France, working on farms and eventually came to the United States and settled here in Sacramento. He was very active in the Italian community during those years. And during the same rough time period,

[he] eventually moved and built an apartment building on Tenth and P Street, right where the [State of California] Water Resources Control Board building is now.

SENEY: What did he do?

FRANCHETTI: He had a grocery store. In fact, that's him and his grocery store right there. I don't know when that picture was taken but it looks like in the late forties, maybe early fifties. He had an apartment building and on the ground floor he had a grocery store. In back of it he had their home, and they lived there. He was a businessman here, and very active in Democratic politics, with an Italian approach to it. And my mother was raised here. My mother and father met and married and moved to Redding. In fact, we have a little ranch in Redding and some property there that has been in the family for a very long time. So that's a little background. I graduated from high school in Redding and went to the University of San Francisco, college and law school there. And then I went in the army, put a year in at Vietnam.

SENEY: Let me ask you first . . .

FRANCHETTI: Sure.

SENEY: I'm interested in your politics. Obviously you are a Republican and your mother is a Democrat. What was your father?

FRANCHETTI: Well, actually my mother and father have been Republicans for some time. But you know, I was a Democrat at one time when I was a little younger. I became a Republican really because I worked for [Attorney General] Evelle Younger, and I was so active in his activities that I just said it's kind of silly to be registered as a Democrat and working for this Republican. So I switched parties. This was many years ago, in the early seventies. But I had been registered as a Democrat prior to that. Without any particularly strong views any way or the other.

SENEY: Were you active in politics in college?

FRANCHETTI: A little bit. I was active a little bit. Actually I was active in the Young Republicans for a little while. But you know a lot of these groups are kind of crazy. They're sort of extreme groups. And I went to a convention and I thought, "This is a waste of time."

SENEY: It must have been the Young Republicans?

FRANCHETTI: Yes.

SENEY: Or the Democrats. It could have been either.

FRANCHETTI: It could have been either. This was about '61, I guess, and it was just about the time the more conservative Republicans were taking over the Republican party. [Assemblyman Joseph C.] Joe Shell was being touted as a candidate for governor. But it was so extreme that it sort of turned me off because I don't believe that you achieve a lot that way. And so I was interested in politics and always have been. It has been fascinating to me, but I really didn't get active in it until I got out of the army. Not until Younger became attorney general, and then I became very much involved in a lot of the things that were going on for that twelve or thirteen years that followed then.

SENEY: Did your parents talk politics at home?

FRANCHETTI: Not a great deal. No, I just personally always had an interest in it. I always found it fascinating. Of course, I like history. I was a history major in college. Politics is current history, which is what you are doing. History is always very fascinating because you imagine people doing the things that they did, which to me is always more exciting than any fiction I've ever read. I've always enjoyed

it, so to me, a person who likes history and what people have done in the past should have a liking for current politics because again it's history in the making. It's people actually doing the things.

SENEY: You graduated from the University of San Francisco.

FRANCHETTI: Right.

SENEY: Was there a break when you went into the military? Before you went to law school?

FRANCHETTI: No, what happened was that I went to USF [University of San Francisco]; in 1960 I joined the ROTC [Reserve Officer Training Corps] program and graduated in '64 and was in the reserves which was the way the program worked. But at the time, the army would allow you to go to law school if you wanted to, and just postpone your going into active duty. So I postponed it just so I could get into the Vietnam War. It's not what I wanted to do but that's what happened. I said, "I'll go to law school and then I'll go on active duty." And there were some advantages. They gave you half the time you were in law school.

[Interruption]

You would get time in grade, so I started as a second lieutenant and became a first lieutenant, and then I was a captain. So I got all this rank by just going to law school. That wasn't why I did it, I just wanted to get law school out of the way. But that's what happened.

SENEY: You were in Vietnam?

FRANCHETTI: Yes, I spent a year in Vietnam.

SENEY: What did you do there?

FRANCHETTI: Well, I was supposed to run a railroad in Vietnam. I was part of a railroad unit, the only railroad unit the army had. In fact, those are some of the railroad tie things they gave me when I left the unit.

SENEY: I see.

FRANCHETTI: But when I got there that job had been filled. So since I was a lawyer, they sent me to a place called Lung Tau, which was a very nice place, and I was the legal officer for this large area. Most of the lawyers wanted to stay in Saigon, and I just was down at this place. I did court-martials, and I did legal counseling for soldiers. I would go out into the Mekong Delta sometimes and go to these little outposts where these people were and

meet with them. I would do wills and powers of attorney and advise them when their wives had left them, that sort of thing. I also did some civil affairs things, but basically that was my job.

SENEY: What would that mean? I can understand the other, but what would civil affairs mean?

FRANCHETTI: Oh, maintaining relations with the Vietnamese. For example, one instance which was memorable was when a number of soldiers had gotten drunk. They'd gone to a Buddhist monastery temple and they had stolen things from it. This was in 1968; this was at a time when Buddhists were burning themselves and everyone was very upset about that. So I was called in to go down with an interpreter and another fellow and try to calm these people and pay them some money, which is what they wanted, and to try to stop this from being a big scene. And so we would call that civil affairs. I had a fellow that worked with me who was really the civil affairs officer and I often worked with him on those projects. But mainly I did the legal thing. Court-martials. I was the advisor to people. I would appoint prosecutors. And at that time for what would

be equivalent of a misdemeanor which was called a special court-martial, lawyers were not required. You just picked you or me or an officer. So, basically what I did was to look at the facts of the case; I would decide if there was a case, and if there was, I would recommend that we file. Then I would find a prosecutor, a lawyer, the officer to be the prosecutor. I would tell them what to do. Then I would bring in the defense guy and then I would tell him what to do. [Laughter] Say here's the way to do it. And I would pick the court, and we'd have a court-martial. So that's how it kind of worked.

SENEY: Did you have a sense that there were more problems with the troops, less problems with the troops than there had been, in say, Korea or World War II?

FRANCHETTI: Well, one of the things I think that occurred in Vietnam, and I'm positive that this is part of what happened, was that just before we really got active in Vietnam, [United States Secretary of Defense Robert H.] McNamara had a project called Project One Hundred Thousand. It was a project to take people who would not qualify for the military and get them into the

military and teach them a trade. And these were really people that had some serious problems. I know because our railroad unit had one company that was composed almost exclusively of these people. They were never intended to go into a combat situation or be under any pressure at all. It was really like a job training program. They even had a special serial number. You could always tell a Project One Hundred Thousand soldier because they had something, I don't remember what it was, but it was a special number or something. Well, by 1967, 1968 and after that I'm sure--I was gone in 1969--they basically were scraping the bottom of the barrel when they sent all these guys over there that were really not fit. And a lot of the problem soldiers were those people. I used to see them all the time. They would come in and right away you could tell. I think that was part of the problem.

I think the other part of it was a lot of people went over there that already had problems. Most of the drug problem didn't start in Vietnam. Most of the drug problem came with the soldier. The soldier would come

over, a young kid using drugs, and they used drugs in Vietnam. And they then used them when they came back. I'm not a professional Vietnam veteran. I don't like that, to tell the truth. I've always felt that a lot of these people, some twenty years later, claiming that they still are victims of Vietnam. They're not victims of Vietnam. They were that way before they got there; they had problems before they got there. They had them there, and they had them when they went home. We used to process people just to get them out of Vietnam. We would have people that were so bad we'd say, "Get'em out of here. Send'em back." We didn't punish them or anything. We just did everything we could to get them out of there. And some of them didn't want to go because they were having a good time. A lot of people had a pretty good time in Vietnam. They made money. They had access to drugs and women and so on. We used to have people who would fight us and try not to be sent out, which was hard to believe.

SENEY: These would be disciplinary cases.

FRANCHETTI: I don't know what occurred in the other wars, obviously, but my personal experience was it

wasn't Vietnam that caused [their problems]. I'm sure some people had terrible experiences and were harmed, obviously, but the people I saw were in sort of rear support units and that's where the bulk of these people were. And I bet you will find that most of the people that are still going around claiming that they're victims of this are probably people who had exactly those kind of jobs. I've never explored it but that's been my view.

SENEY: So you were pretty busy there, I take it.

FRANCHETTI: Oh, yes. We never took a day off. That was just the way it was. You worked seven days a week.

SENEY: But you didn't come home with any emotional baggage from the war.

FRANCHETTI: No, no. I was never in any real serious danger. Occasionally there were situations that would be marginal. But I was never in a situation where people were attacking me or whatever.

SENEY: One other person I interviewed on this project, someone you know, [T. Anthony] Tony Quinn . . .

FRANCHETTI: . . . Yes, sure . . .

SENEY: . . . He served in a sort of press public relations position and enjoyed his stay and tour of duty. Did you?

FRANCHETTI: Yes. It was a real adventure. I was in a town on the ocean and we lived in a hotel. It was a barracks; it was converted to an officers' quarters, but it was a hotel. We drove to the army base which was there. There were restaurants. There was a big beach, a beautiful beach, a big white sand beach on the South China Sea. In fact, no one ever wanted to leave there. Everyone wanted to stay there. You never wanted to go out. And it was actually the in-country [Rest and Recreation] R and R center for Vietnam, for the south part of the country. They had hotels just for soldiers that were out in the jungles. And they would come in for a few days and rest and carouse and do whatever they were going to do and go back. So it was an interesting experience. It was like living in a foreign city really more than being subject to being in a military camp although it was obviously a military setting.

SENEY: When you came back from Vietnam, did you get out of the army very quickly?

FRANCHETTI: Yes. I was at the end of my tour and so I came back to Oakland. At that time I was married to my first wife, and we had just been married a year or so. She was living in Redding at that time. I decided to come to Sacramento because I had a lot of roots here. And I came down just looking for a job . . .

SENEY: . . . Your mother's family is still here?

FRANCHETTI: Yes, yes. I have the aunts and uncles that still live here. I was looking around for a job as a lawyer. I'd contacted a guy named [Sacramento County District Attorney] John Price who was the DA here at that time. When I went to see him, the job I thought was open wasn't there, so I went over to the attorney general's office which was . . .

SENEY: . . . May I stop and ask you . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . Would a job with John Price, who was a long time district attorney with Sacramento County, have required connections to even get an interview?

FRANCHETTI: No. I didn't know him. I just wrote to him and said I was interested, and I had an interview with him, but the positions were not open at that time. The ones I had wanted

were filled. There were other openings later. I had a friend that I'd gone to law school with. His name was Peter Demauro and he was working in the attorney general's office which at that time was in the old Wells Fargo Building on the corner of 5th and Capitol Mall. So I went over to see him and he said, "Hey, we have jobs here." So I interviewed with a couple of people. A day or two later they called me and said, "Come on. We'll hire you as sort of an interim lawyer and you can take the civil exam, but we'll guarantee that you'll have a job." So I started as a deputy attorney general because of that.

SENEY: Mr. [California State Attorney General Thomas] Lynch was still the attorney general.

FRANCHETTI: Tom Lynch was attorney general. There were no politics in that at all. I happened to know a guy, and I had a good record in law school. And I had some experience in the military, trying cases. So I had some background.

SENEY: And you were obviously a member of the bar.

FRANCHETTI: I was a member of the bar. I had been a member of the bar for a couple of years because I took the bar exam just before I

went on active duty. So I'd done all that. I became a deputy attorney general in the criminal division in Sacramento. I did mainly criminal appeals which is what young deputy attorney generals do. I did a couple of trials because . . .

SENEY: . . . Explain that to me. Tell me what that means . . .

FRANCHETTI: A criminal appeal?

SENEY: Yes.

FRANCHETTI: Well, after a criminal case is tried by the district attorney in any county, if the defendant appeals, it goes to the appellate court to claim there was a legal error in the proceedings. The district attorney sends the case to the state attorney general. The state attorney general then handles all the appellate work from that point on, which could be the court of appeals or the California Supreme Court, or it could be the U.S. Supreme Court if you were good enough and there long enough. So all these major issues like this death penalty case that was in the newspaper today--they are going to take a look at the California death penalty law again--all are handled by the state

attorney general even though the trial was handled by the district attorney. So that's the division between the prosecutors and the state. A new deputy attorney general will be assigned to the criminal division and will handle appeals because that's the most mundane work in the attorney general's office.

SENEY: Do you remember any of these?

FRANCHETTI: Oh, no, really not. But they were basically cases where the person was guilty and there was no error, but they would appeal anyway. So you would basically go through these and you would look at them and say, "There aren't any issues, but I'll make some straw issues up, and I'll knock them down." Very often the defense attorneys that do these appeals are really incompetent. They just write junk. There are certain rules you have to apply. You can't retry the facts because they have already been tried at the trial, but they'll try to do that. Some people do this all their lives, people I started with that are still at the attorney general's office doing criminal appeals. As you get better at it, you get to argue before higher

courts. You always start with the court of appeals which is here and San Francisco and other places. When you're good enough, they let you go to the California Supreme Court and a few people get to argue before the U.S. Supreme Court. So it's a whole career path if you wanted to really do it.

SENEY: Let me say that I do know some one who is a deputy attorney general . . .

FRANCHETTI: . . . Who's that?

SENEY: Her name is Mary Jane Hamilton.

FRANCHETTI: I don't think I know her.

SENEY: She hasn't been there that long. I get from discussions with her the feeling that you don't necessarily get a very uplifting view of humanity through this job.

FRANCHETTI: No, I wouldn't think so. The way that it works is that you get a transcript of the trial and the lawyer for the defendant, now the convicted person, will write a brief. Usually it is not very well done because they don't get paid a lot and they don't know how to do it. They just put it together. Then you get a transcript and you read it. If it's a rape, you're reading about that. You know, whatever. It's really true. Anybody

that does criminal work--trial work is even worse in many cases--you're just reading about it, all you are seeing is the dregs of society. I mean that in the sense that you are seeing all the bad things that are happening.

Now there are other parts of the attorney general's office. There is civil work; you can do environmental work. There are a lot of other types of law. But I just happened to get into the criminal one because that's where the job was.

SENEY: I raise this to you because in combination with your experience in Vietnam, and now in the attorney general's office, did that begin to influence your thinking about society in general, about people? Could you assess any kind of impact that that experience might have had on you?

FRANCHETTI: Well, I have always sort of assumed that people are going to act according to their nature. There was a movie that I saw recently. It was about the transvestite . . .

SENEY: . . . The Crying Game . . .

FRANCHETTI: . . . The Crying Game. The story about the scorpion and the whatever it was, the frog. The scorpion stings the frog crossing the river--a variation of another story I knew before--and the frog is dying and says, "Why did you sting me?" "Well, it's in my nature. It's who I am."

I accept people in many cases for what they are. Some people do that. Some people are scrupulously honest and other people are dishonest. I think underlying a lot of people is a basic ability to be violent. I believe that more now than I did then, as I'm getting older. I think people have basically an animal nature, however you want to view them spiritually. All animal life is violent in one way or the other. I think that is what we see in a lot of these things that happen that we can't explain. It's just that the worst part of people take over some times.

SENEY: Have times changed or has Michael Franchetti changed?

FRANCHETTI: No, I think I've just learned more. I don't think the time has changed. All this stuff about crime, you can talk about it later, but

all these things about signing laws to put people in prison for the rest of their lives, habitual criminal laws because of this poor little girl that was killed, we've been through this stuff forever. I did it. I thought it was a big deal when I was young. There are other young guys that are doing the same thing right now, making a big issue for [Attorney General Dan] Lungren and other people. I understand what they are doing, but this crime thing hasn't really changed at all. It's just that we go through cycles of focusing on it. We are always going to have crime.

SENEY: Has television made a difference?

FRANCHETTI: Yes, I think so. I will say the one thing I've become convinced of is that we have a whole generation of kids that have grown up watching violent television. I don't think they understand the seriousness of what violence is.

SENEY: I want to have your thinking on what may be our perceptions of violence, television brings it so much more . . .

FRANCHETTI: . . . Exactly and sanitizes it. I guess when I was a kid--I was born in 1942, so of

FRANCHETTI: course, we didn't have television; we had movies. We didn't get television in Redding until '54, '55, but we had radio. But radio was a little vaguer than television. We had movies. We'd watch war movies. There were a lot of war movies because it was right after the war and there were a lot of people getting killed in them. So we had that; we didn't have the constant repetition of people dying. I think that begins to desensitize young people. I don't think little kids quite appreciate what they're doing.

I know I was down in Orange County right around Halloween. In Pasadena--I don't know what ever happened, I didn't follow the thing--but on Halloween night three young boys were walking back from trick-or-treating and somebody from behind a fence shot them down with a machine gun and just killed them and ran off. It wasn't a gang thing. The killers may have been gang members; at the time they didn't know. Why would you do that? What possible reason would [make] somebody do that? It wasn't robbery. It was just to kill them. I think that may have

some impact. Many other reasons too I'm sure.

SENEY: Could we go back to Mr. Lynch for a moment?

FRANCHETTI: Sure.

SENEY: I know you're way down in the organization here.

FRANCHETTI: Sure.

SENEY: But can you give me . . .

FRANCHETTI: . . . I met him . . .

SENEY: . . . Can you give me a perspective on him?

FRANCHETTI: Sure. Well, as a matter of fact, I'd met Lynch before when I was in college. He was the district attorney of San Francisco, and I was at USF. I was responsible for putting on a lecture series and I invited him to come and speak on a question of dirty book stores or censorship. He was prosecuting adult bookstores or something. He came and gave a lecture. And I chatted with him for a little bit. He was a nice man. He was a good prosecutor. He was, from my observation, at least part of an old line of California politicians who were Irish-based, who came out of San Francisco, much as [Edmund G.] Pat Brown, [Sr.] was; he was part of that group. I think Pat Brown had been district attorney

FRANCHETTI: there also. When I knew him [Lynch] as attorney general, he was at the end of his term and I don't think he was overly ambitious at that point. I think he had kind of done what he was going to do. He ran a very non-confrontational attorney general's office. You can run the attorney general's office a lot of different ways. You can just run it and its functions by itself and you can go do what you want to do. Or you can try to make it advance you as the most recent people have done. Lynch wasn't doing that at the time. It was very civil service oriented, very older group oriented. There were people there who had been in the attorney general's office a long time. Many of them in 1969 went way back to the late thirties. They had been there maybe twenty, thirty years. They were for the most part fairly liberal, even the criminal attorneys. They were kind of gentle people, I guess in a way. They were people who took their job a little less philosophically, but did it. They were a professional group and they had some pride in the fact that they were professionals.

The offices were set up differently at that time in that each office really was a little entity unto itself. The man--I forget his name now--who ran the Sacramento office really ran it. Nobody told him what to do. Everybody reported to him. San Francisco was the same thing. San Francisco was the center because that's where Lynch was from. And all the top executives centered out of San Francisco. That's a little different atmosphere than . . .

SENEY: . . . Did it make a difference that the state supreme court is there?

FRANCHETTI: No, I don't think so. It just happened to be that in the attorney general's office the various offices had different environments. San Francisco was sort of liberal and sophisticated. Sacramento was just a little more midwestern. Los Angeles was a different group of people. Whoever ran it at that point had a little different approach. It's hard to explain. I hadn't thought about it. But it was a little more cosmopolitan, a little more of a let's step back from what we're doing, we're professionals, we're

attorneys, we appreciate the good and bad of these things.

[End Tape 1, Side A]

[Begin Tape 1, Side B]

FRANCHETTI: As I said, they were a little more of a professional lawyer group than a zealot group. People later were more philosophical and wanted to do certain things. They were not oriented toward the politics of it as far as I could tell. And again I was pretty low on the pecking order. I knew the people, but I wasn't an insider, so maybe they were but it just didn't appear to me. And again I was new and didn't know very much about it.

SENEY: As I read a little bit about the attorney general's office, they were in a transition between Mr. Younger and Mr. Lynch; I think it's what you are suggesting that statutorily the responsibilities flow into the attorney general's office . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . And you can be passive about it or you can move out and do other things.

FRANCHETTI: And Lynch, I don't think, ever had any designs to be governor or senator. And

that's where you're going to go from there if you're really a politician.

SENEY: Well, it is a stepping stone.

FRANCHETTI: Absolutely. It certainly has been if you look back at the number of people who have, in the last twenty or thirty years or forty years, who have been attorney general, the last half of this century. The first part of the century, of course, there was one attorney general. A guy named [Ulysses] U.S. Webb was attorney general forever.

SENEY: 1902 to 1939.

FRANCHETTI: I don't know if he retired or [Attorney General Earl] Warren beat him. But that was the beginning. He basically was there for the first part of the century. At any rate, the key thing was that Lynch's chief deputy, whose name escapes me, wanted to run for attorney general and he, of course, was the favorite of the . . .

SENEY: . . . O'Brian . . .

FRANCHETTI: . . . [Charles A.] Charlie O'Brian. That's right. Of course, he was the favorite of the office because everybody knew him. He ran against Younger, who was the DA [District Attorney] of L.A. [Los Angeles] County and

was quite well-known in southern California but not that well-known to us up here. As I said, I was there about a year and a half under Lynch and just doing my work. I was getting kind of bored. I really didn't want to do that kind of work. You just sit in an office all day and read transcripts. And so I had applied again to the district attorney's office. I wanted to get into trial work next. Younger won, and I remember that we were kind of disappointed because we knew the Lynch people, and the O'Brian regime would keep the Lynch people, we assumed.

SENEY: Am I right in recollecting that Mr. O'Brian was well liked and well regarded?

FRANCHETTI: Yes, he was. He was quite a guy. Later people told me he just ran out of money. It was a very close election. Actually, as I recall, there was a party called the Peace and Freedom party at that time. This was 1971, I would imagine, is that when the election took place?

SENEY: 1970.

FRANCHETTI: '70. And so the Peace and Freedom party drained a couple hundred thousand votes away that we assume would have gone Democratic,

and I think Younger just won by a hundred thousand votes. It was a very close election. So anyway, Younger came in and he was a real interesting guy. Really it's where my career in politics started, unbeknownst to me that it was going to happen.

SENEY: Let me stop you there. You say that he is a really interesting guy because there are a lot of people who really don't think . . .

FRANCHETTI: . . . I know, but very few people understand him . . .

SENEY: . . . [State Senator] Ed Davis in the '78 gubernatorial primary said he was about as interesting as a mashed potato sandwich.

FRANCHETTI: Yes. I recall that. I was there.

SENEY: As you talk about him, will you talk about the difference in perception of him . . .

FRANCHETTI: . . . Yes. This is just to get you up to speed as to how I got involved with Younger.

He hired his own people, brought in his chief of staff. He actually kept a fellow or brought in a fellow that was a Lynch person, a man named Charlie O'Brian, Charles O'Brian became the chief deputy.

SENEY: [Charles A.] Barrett?

FRANCHETTI: Yes, Charlie Barrett, I'm sorry. Charlie's a nice fellow. And he mainly kept people that were in the civil service and gave them higher level jobs. He did, however, bring in a fellow named Herbert Ashby, who is now in the court of appeals, and made him head of the criminal division. There was a civil division and a criminal division and eventually they had another division of special operations or environment or whatever.

SENEY: Special operations and environment.

FRANCHETTI: However they set it up. That's right. And so I was literally sitting in my office here in Sacramento one day. I had already applied to the DA and I was going to get out of there. I just didn't want to do briefs; it was very boring. I wasn't going anywhere. I said, "I'm not going to do this the rest of my life here. It's not what I want to do." And Herb Ashby came by and he said, "You know," and why he did it I don't know to this day I don't know. He came by and he asked me, "Do you have any ideas what we ought to do?" And I said, "Well, you ought to. . . ." Whatever I gave him, "You ought to be more

FRANCHETTI: active in the legislature." I just made it up. So a few days later he came by and he said, "We'd like you to go down to the Capitol and represent us on criminal matters if you'd do it." And I thought that would be really interesting to do because I was fascinated by that kind of thing and always followed it. So I went down the street and started introducing myself to legislators.

At that time, the committees that we went before were the judiciary committee. [State Senator Alfred H.] Al Song was the state senator at that time who was the chairman of that committee. In the [California State] Assembly they called it the criminal justice committee which is now called the public safety committee, but it's the same committee. It had people on it like [Assemblyman] Alan Sieroty, who was a very liberal state assemblyman, later a senator, and then retired and lives in L.A., [Assemblyman Kenneth] Ken Meade, who was from Berkeley, and [Assemblywoman] Yvonne Brathwaite Burke, that's her name but she was called Yvonne Brathwaite; [Assemblyman Robert] Bob Crown was on it, he has passed

FRANCHETTI: away. A very liberal committee because the Democrats always used that to stop all the law enforcement bills. And they put a lot of liberal Democrats who didn't care how they voted on things and two or three Republicans and that is how the committee went. So I began appearing on bills, and I also was given the job of developing a criminal justice legislative package, which is what these people are doing now, and looking at the issues and so on.

So I began to meet with Younger and his staff because during part of their staff meeting I would come in and say, "Here's what's happening in the criminal justice area, and here's what we ought to be doing." And little by little I began to become very close to Younger personally and professionally--not personally like socializing but in a professional personal way--so that after a period of time, he just sort of made me part of his personal staff. So I had only been there a couple of years and I was being brought into all the staff meetings with the top executives and so on, something which would never have happened

when I was chief deputy but they let that happen. [Laughter]

SENEY: You weren't inspired to look for young people?

FRANCHETTI: No, I wasn't inspired for that. And I began to travel with him occasionally. I'll go into some of that if you want to later.

SENEY: Sure.

FRANCHETTI: But basically I developed an advisor role to him which became both one not involved with his official duties but later became an advisor in terms of the politics of how he was going to do the things in the office.

SENEY: I would like to stop this for just a minute. He was interviewed by UCLA [University of California Los Angeles] on a [Governor Ronald] Reagan years oral history project¹ and in that he talked about selecting Mr. Barrett as his chief of staff. He talked to a lot of people and Barrett's name kept coming up, and it didn't matter to him that Barrett was a career man. He appeared to be the best man for the job so he got the job.

¹Evelle J. Younger, "A Lifetime in Law Enforcement," conducted by Steven Edgington, Governmental History Documentation Project, Oral History Program, Powell Library, University of California, Los Angeles, 1982, p. 30.

And while in the interview on the whole, Younger comes off very attractive, I might say, and is a very modest individual and knowledgeable, he does say on several occasions that he is a very good administrator . . .

FRANCHETTI: . . . He used to say that a lot . . .

SENEY: . . . And I want to know if you would agree with that?

FRANCHETTI: He was. He used to say, "The reason I can tell I'm a good administrator is that I picked all these good people that work for me." He probably said that in that interview because that was a common thing he used to say. Yes, he was a good administrator. I mean the office ran very, very well. It expanded during those times. I think he was a good administrator as district attorney also. Evelle Younger was a creature of a different era.

[Interruption]

FRANCHETTI: He came from a different era than [Attorney George] Deukmejian and [Attorney General John] Van de Kamp. Van de Kamp was more like Younger than Deukmejian and Lungren. They are all different kinds of people. He came

from a time when the people in politics and those kinds of jobs were not criticized as much as they are now. When there was, much as with Lynch in a sense, if you did a good job as attorney general, for example, then people would appreciate it and would applaud you. If you wanted to move on, that would be the basis of how you moved on. As opposed to the philosophy that I had, which I learned after eight years with Younger, that doing a good job as attorney general was fine, but if you wanted to be governor, you had to do things to make you governor. And that was the difference in the two. It was a major difference. I don't know if George would agree with that, but that was my philosophy.

SENEY: You mean Deukmejian.

FRANCHETTI: Yes. I'm just jumping ahead. For Evelle Younger to bring in career civil servants as his top advisors made a lot of sense to him and was correct in the sense that the office ran rather smoothly. We were very surprised. I mean Charlie Barrett was a Lynch guy, a Charlie O'Brian guy, and all of a sudden he's running the office. But he was very comfortable. Sandy Gruskin was another guy,

the environmental guy. And I forget who the civil guy was. Then the only outsider was this fellow Ashby¹ who had been the county counsel in some county near L.A. So it was very comfortable and these guys knew how the attorney general's office ran and they ran it well. The problem that occurred over the eight years that Younger was there was that they ran it to implement the policies that they believed were good for the people and policies that they believed reflected their particular views, but they weren't good for Evelle Younger. So again and again and again Younger's office would go out and do things and alienate whole constituencies, people he should have had voting for him. And they'd get very upset with Evelle. He would let these people he picked make policy decisions, which is fine except that philosophically they weren't oriented with where he really was. And so they'd make decisions that were different than what he should have done for himself as a politician.

SENEY: If he had the ambition of being governor?

¹Unable to verify

FRANCHETTI: Well, he did. Of course, he wanted to be governor. George Deukmejian became attorney general wanting to be attorney general the rest of his life. He became governor almost [by accident]. Certain things happened, and all of a sudden he was going to be governor, but Evelle Younger became attorney general planning to be governor. That was his plan. There was no question about it. That's why a guy like Tony Quinn was brought in; he sort of compartmentalized his people. Tony was a speech writer, an advisor. He had some people that were advisors. Private, outside people.

But he didn't appreciate, I think, the fact that just doing a good job wasn't enough. Somehow he had to make a statement as attorney general as to what he philosophically believed because in these big issues--not the routine legal issues--in these big issues the attorney general can make a lot of decisions. You can decide to file a lawsuit this way or that way. You can go take this side or that, you know. You have a lot of discretion in many issues particularly in the environment where his

people were very active. He really allowed his top management to make those decisions and just let it go along and it ultimately hurt him over the years, in the terms of politics. Whether he did the right thing or not from a good government point of view, I'll leave aside. But from a politics point of view, I think he made a lot of mistakes. But that's what he wanted to do, and that's how he did it.

SENEY: He alludes to this, I think, in his interview¹. He doesn't allude to the specific issue, but he talks about going to Orange County and making a speech. And in Orange County the labor union people picketed him on this issue. He goes to San Diego and the environmentalists picket him. So he says when both side are angry at him, he must have done something right.

FRANCHETTI: Yes. That was. [Laughter]

SENEY: But I guess you'd disagree instead . . .

FRANCHETTI: . . . Well, no, no . . .

SENEY: . . . He must have done something wrong . . .

¹Younger, "A Lifetime in Law Enforcement," p 33.

FRANCHETTI: . . . It wasn't necessarily that he did it wrong. It was that he failed to control the attorney general's office to make it do what he wanted it to do. Or else he wanted to do it and I just didn't realize it. I was close, but I wasn't necessarily making these decisions every day. I wasn't running it as I did later. So again and again and again he would agree to a recommendation from the environmental people. I would say, "From a politically advantageous perspective, you just can't do that. Much more, what's good for you personally, you just can't do that." And he'd say, "No, that's the [way I want to do it.]" And they'd do it. I think it undercut him a lot ultimately in his support in the Republican party.

SENEY: Let me ask you if there was one other critical change in the time he was first elected attorney general in '70 and then ran for governor in '78 and that's the Watergate business . . .

FRANCHETTI: . . . Absolutely. Let me tell you the basic story there. I observed it and had some input in it, I guess. I think Younger would have been governor in '74. I'm convinced

that he was well respected. He had this long history of public service. He was very well-known. The public had not yet turned on politicians. Guys like Younger who had three pensions, that was no big deal. When I started in government, they said, "Well, you had pensions. You are receiving less money for what you're doing and part of what government does for you, is at the end of your career--what at that time seemed like forever to me--there will be a nice pension there." It was viewed as a benefit and a positive thing for public service.

SENEY: You are referring here to something that became an issue in the 1978 election.

FRANCHETTI: Yes. But I'm just showing you that wasn't a big deal then. People assumed that people really treated things properly then. They believed that that was no big deal, the fact that Younger had two pensions or three pensions in that election would not have made any difference because he had earned them. He had been DA, he had been judge, or whatever he'd been. [Edmund G. Brown, Jr.] Jerry Brown was not very well thought of, I don't think. He was a reformer, a different

kind of person. I think that Younger could have beat him.

SENEY: It was a close election.

FRANCHETTI: Actually, and the reason Houston [I.] Flournoy¹ lost--we can at least argue, we don't know for sure--is because of the pardon of [United States President] Richard Nixon which occurred at a very bad time. Flournoy was closing on Brown. Of course, Flournoy kind of had it by default in a sense. Many people thought he would have passed him. Now, I have been in a lot of elections and the loser always says, "I was closing and I would have passed him if the election were held a week later." But I think Younger could have won that. And he asked a lot of people whether he should run or not for governor.

My feeling, at the time, was, and it was obviously shared by others because he decided not to run; it was too chancy because Watergate was such a negative on the Republicans. There were all these bad things happening, that he was much better sitting it

¹Republican nominee for California Governor, 1974.

FRANCHETTI: out. He was a sure bet to be attorney general again. Why not wait another four years and take a shot once this thing had died down? That was his decision and I don't criticize that decision. It was a good one at the time. However, hindsight which is always twenty-twenty, would indicate to me--I've always felt this--that had he run in '74, he would have been governor. The state would have been very different. Different, at least, in terms of the history of what happened with the governors. By the time he got to '78, he became almost an anachronism, as a politician, not as a person. His style of politics, what he'd done, his career, and all that was out of sync with what people were looking for. All of a sudden he was criticized because he had three pensions. He was criticized because he campaigned in the old way.

When Prop 13¹ came on the scene, [Howard] Jarvis and [Paul] Gann were considered a couple of crackpots. They were nuts. Nobody even paid much attention to

¹Proposition 13, June, 1978.

them. They'd been doing it for a long time. They were gadflies, I guess you'd call them. Crackpot may be a wrong word. But they were kind of political gadflies out there. No one paid much attention to them. But it became clear, in my mind and other's minds, that because of the overassessment of people's homes, that there was public support for Prop 13. People were really upset. Widows were having their homes taken from them. They couldn't pay the taxes because the value had gone up from ten thousand to two hundred [thousand]. You know that sort of thing. So we had a number of meetings with Younger. I was in on them as were other advisors and staff. We said that we really think you should support Prop 13 because you're running for governor and it's very important. Jerry Brown was opposed to it as were most of the other people in government. Government people were opposed to it . . .

SENEY: . . . And corporate people . . .

FRANCHETTI: . . . Yes, there was a lot of opposition to it. People hadn't really gotten on to it. Initially, he said, "No, I don't think that is a good idea." But eventually he agreed to

FRANCHETTI: a lukewarm endorsement of it. And then we said, "What we ought to do is, since nobody understands what Proposition 13 does, let's develop a team of lawyers who will study this initiative and really know it inside out. Then if it passes, you're the expert. You're the guy that knows what the heck is going on. You get up in front. You go to the legislature, whatever's going to happen." So we did that. We developed a group of people who worked on it and they really understood it. So we had our Prop 13 team.

The primary election came in June and Younger had, of course, won his primary and Brown won his. The exit polling at that time, as I recall, showed that Younger was ahead of Brown. Had that election taken place on that day, he would have beat him. Younger was a little ill. He had some physical problem at that time. But he was in the office a day or two after the primary and the legislature had scheduled hearings here to decide what to do on Prop 13. So I went down in L.A. I had it all set up because now I was the legislative guy. I said, "Here's what you should do. You go to that hearing

FRANCHETTI: room. You sit in the front row with all these cameras and stuff. When there are issues, you bring one of these lawyers with you, you get up there and you tell them what to do, how they have to implement Prop 13, what it does." I had long memos about what to do and what the issues were because we really were excited about this. We had really hit this one right. He said, "No, I'm not going to do that. I'm going to go to Hawaii." And he said, "I'm going to take a little break from the campaign." Which was the way he used to campaign. He used to take time off. Now nobody does it anymore. They used to take the summer off and start in the fall. And we said, "No, you can't do that, you can't do that." But he did.

So I went over to the hearings--a lot of good that did--and I was sitting there and I can remember after the first day, I was walking down the street, going to have lunch, and I heard a radio. It had Hawaiian music and the Democrats had figured out where he was. [Laughter] And they had something going "La da da da da." And they said, "Where is Evelle Younger? He is in Hawaii while we're

trying to solve this problem." And I think that killed him; that was the end of it. And the flip side of that card was Jerry Brown, who knew nothing about it, calls the AG's [attorney general's] office and says, "Do you guys have anybody who knows anything about Prop 13?" And Charlie Barrett and those guys sent our team over and they brief Jerry Brown and Gray Davis and those guys. So they learned everything that we had developed. Then, of course, Brown comes in and starts being a big pro Prop 13 person, implementing it . . .

SENEY: . . . "Jerry Jarvis" as he began to be called.

FRANCHETTI: Yes. Exactly. So there's a combination of things. I really think that was the end of Evelle Younger. He never really got back in the election. And times had changed. Whether he could have won it or not, I don't know, but the style of how he campaigned and how he politicked was an older style. In '78 that wasn't the style any more. And a lot of the things he did, a few years before no one would have questioned. But anyway, that's a little story about Prop 13.

SENEY: And a good one. At this point, you know we tend to have a view of Jerry Brown which is quite jaundiced, familiarity perhaps breeding contempt almost, and we forget that he really was a very wily politician . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . That he made a great deal out of the Secretary of State's office . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . And in that regard, I want to take you back to ask if you had any role in this at all, when in 1971 when the 26th amendment to the federal Constitution came into effect and 18 year olds could now vote, Republicans were concerned that if these 18 year olds as college students voting in places like Berkeley . . .

FRANCHETTI: . . . Right . . .

SENEY: . . . And Santa Barbara where they went to school, it might tip the balance in those congressional and legislative races. Younger as attorney general offers an opinion that they must register where their parents are registered. And Brown essentially beats him on this issue, first by bringing the issue out in the press, then taking it to the

courts and winning there, which at that point was still a Republican court. Donald Wright was still chief justice, but a very respected . . .

FRANCHETTI: . . . Yes, it was very well thought of, very well thought of . . .

SENEY: . . . I don't think anyone would argue that their decision on that was politically motivated . . .

FRANCHETTI: . . . Yes. That's right . . .

SENEY: . . . Did you have anything to do with that decision?

FRANCHETTI: No, I didn't. That was very early on in that time. My involvement with Younger grew over the years, but at that point of time I wasn't involved in that. I recall the issue but I don't recall being involved with it.

SENEY: Mr. Younger reorganized the attorney general's office. There had been just the civil and criminal divisions, now comes special operations . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Which is environment . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Consumer. He said he took a different approach to legislation. Apparently Lynch,

O'Brian, the others had just waited for the legislation to be introduced by others in the legislature.

FRANCHETTI: That's right . . .

SENEY: . . . Then the AG's office would take a position . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Now, though, you would begin to develop your own legislation.

FRANCHETTI: That's right. Exactly. And that's part of what I got involved in, basically to become aggressive proponents of issues. When I started off, I had the criminal side of it, the law enforcement side, and a fellow named Jan Stevens, who is still with the attorney general's office, had the civil side, which would include the environmental issues and the other types . . .

SENEY: . . . When you say had, you mean you were responsible for developing the legislation on the criminal issues?

FRANCHETTI: That's right, and analyzing other legislation. But it was an aggressive program which again indicates that Younger wanted to be governor. He did certain things that I didn't agree with, but I believe that

he aggressively tried to promote himself through the office. I think he let people make decisions for him that shouldn't have been made. Maybe they reflected how he really felt. That could well be.

SENEY: From this distance can you remember any kind of specific kind of legislation you would develop on this?

FRANCHETTI: Let me tell you, probably the primary legislation that Evelle Younger ran on for a long time was the death penalty. That was a big issue in 1972 because the [California] supreme court in a case called People v. Anderson¹ had declared that the old statute was cruel and unusual punishment.

SENEY: The state supreme court.

FRANCHETTI: The state supreme court. This is another Younger story. Younger was not a strong advocate of the death penalty. In fact, he was somewhat ambivalent toward it, which may be a good place to be on it; he had as DA even written an article for a local law journal saying, "I'm not sure you should even have it, that it really achieves anything."

¹Supp. 100 Cal. Rptr. 152 (1972).

Keep in mind he had a lot of experience as a judge and a prosecutor. He really understood that part of law. But Ashby and I felt there's just no way that we can not have the attorney general try to overturn this People v. Anderson case. We went to Younger and we had several meetings with him and he was initially reluctant. We said, "Look, you have to do this." Finally, he said, "OK. I will do it."

SENEY: Let me stop you here for a just a second . .

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FRANCHETTI: . . . Sure.

SENEY: When you recommended that he not go to Hawaii, he went to Hawaii . . .

FRANCHETTI: . . . Oh, yes . . .

SENEY: . . . In this case I guess you had to talk to him several times . . .

FRANCHETTI: . . . Right, right . . .

SENEY: . . . Was it easy to change his mind or not easy, or . . .

FRANCHETTI: . . . He was open. On the Hawaii thing, I don't think he wanted to be governor any more. In his heart he was kind of burned out. People pushed him. His wife very much wanted him to do it. She was very

influential in his life. Mildred [Eberhart Younger], a very lovely lady.

SENEY: Quite a political person in her own right . . .

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FRANCHETTI: . . . With a long history of involvement in politics. I don't think that Younger in the '78 campaign really cared. I think he was tired. He was burned out and he also had been ill. He was not feeling real well and I think he just wanted to get away. Although it was, to me, a terrible mistake.

This other thing was more of a policy thing. And it wasn't necessarily that he was a strong opponent of the death penalty. It's just that I don't think he particularly thought it did a lot of good one way or the other. But we emphasized that this is a major issue and you're attorney general. You've got to take the lead. And he agreed to that. This was the start of the legislative session, so he said, "OK, go down and let's get an author and let's put in a death penalty bill." We needed a constitutional amendment. We said that there's already somebody, this Senator George

Deukmejian has put a bill in.¹ He said, "Go down and tell Deukmejian that we're going to take over his bill." [Laughter] . . .

SENEY: . . . Well, now . . .

FRANCHETTI: . . . Which I did . . .

SENEY: . . . They were opponents in the 1970 primary for attorney general.

FRANCHETTI: . . . Oh, yes. So I went down and it was really one of the first times I'd dealt with George. And I said, "Here's what we are going to do, Senator." [Laughter]

SENEY: Did he like this?

FRANCHETTI: I don't know if he liked it but he went along with it. Then we took what had been his bill and we revised it and made changes that we wanted to make in it and took it to the legislature. It was defeated. The Democrats would not vote for it.

SENEY: This was a two-thirds bill [requiring two-thirds vote of both houses].

FRANCHETTI: It was a two-thirds bill. So then, and some laws had been written because of what we did, then we, meaning the AG's people and the DAs, got together and we said, "Let's put this on

¹Unable to verify.

the ballot." This was like in spring. I'm saying spring of '72, is what I'm guessing. See, when was Younger elected? '70.

SENEY: '70.

FRANCHETTI: So maybe the spring of '72. Just before the election. I mean we were like three or four months away. So in about thirty days we drafted an initiative¹ and circulated it. We got law enforcement to carry it. Police would carry it around and have you sign it. It's against the law now to do. But it wasn't then. It's against the law because of what we did.

SENEY: That was much cheaper to do.

FRANCHETTI: We did it for hardly any money at all. All we had to do was print up the initiative, the forms, the petitions. It was a constitutional amendment saying that the death penalty was not cruel and unusual punishment.

SENEY: Did you do this out of the AG's budget?

FRANCHETTI: We did it out of the AG's budget. Yes, again today you probably couldn't do it, but at the time nobody really cared and we just did it.

¹Proposition 17, November 1972.

We circulated it. In about thirty days we got a million signatures. We qualified it for the ballot. In November that constitutional amendment was passed. So now the death penalty was back into effect except that within a few weeks, a couple of months, the U.S. Supreme Court came down with another ruling--I forget the name of the case¹--and said you can have the death penalty but you can't have these vague laws that just say the jury will decide if they're guilty, and just sentence them to death. Now you have to have distinct standards for guiding the jury. So all of our effort had ended. The state challenge was gone because we made it clear that it was not cruel and unusual punishment; we expressly said it wasn't but now we had this federal case to deal with.

[End Tape 1, Side B]

[Begin Tape 2, Side A]

FRANCHETTI: Basically I took the lead in drafting a death penalty law. We had Deukmejian as the author again.² We didn't have to have a

¹Furman v. Georgia, 408 U.S. 238 (1972).

²S.B. 155, 1977-78 Reg. Sess., Cal. Stat., ch. 316 (1977).

constitutional amendment. We could just pass a law because we'd already passed a constitutional amendment.

SENEY: You had solved the cruel and unusual punishment problem.

FRANCHETTI: That's right. And so along with a committee of district attorneys and their staff aides--many of these people at that time were deputies and now some of them are district attorneys. It's kind of interesting the time that has gone by--so we spent a lot of time on it. We drafted a very detailed law that set up criteria that the jury would look to decide if it was life or death.

SENEY: Let me ask you, did you need these people from the district attorney offices around the state to draft the legislation or was this part of maybe . . .

FRANCHETTI: . . . It was part of the PR [public relations.] It was a combined effort. Some of them had been prosecutors and tried these cases. They understood it. But the real reason is that a main constituency of the attorney general are the district attorneys, in terms of the legal side, the law side, and the police chiefs and the sheriffs. So any

attorney general has got to constantly keep a good relationship with those people because he is, or she is some day, the leader of that group. They're very important to them in terms of future politics. So we worked with them for a combination of reasons. One, because we wanted to work with their associations because it was good politics and secondly, because they had expertise. We essentially drafted this law. George Deukmejian carried it, and we got it through. Jerry Brown vetoed it and the legislature overrode his veto.

SENEY: Younger released a letter when Brown vetoed the law, saying that this was irresponsible. Did you have anything to do with drafting that letter?

FRANCHETTI: Probably. I don't recall the letter but I probably would have been the person who would have done that.

SENEY: There was a last minute attempt by [State Senator] Milton Marks to amend that bill . .

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FRANCHETTI: . . . Yes, Marks was against all that stuff .

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SENEY: . . . To life without possibility of parole.

FRANCHETTI: We lobbied him, I remember him. He was just between a rock and a hard place because he was against it yet he was afraid. There was so much support for it. Marks was a pure political animal. I forget how he ultimately voted . . .

SENEY: He's a former Republican and now a Democrat.

FRANCHETTI: Yes, at that time he was a registered Republican. I forget how he voted on it. But essentially the thing passed. That was like in '73, I suspect; in '73 did that pass?

SENEY: No, 1977.

FRANCHETTI: '77, OK. So a little time had passed on that. I didn't have the time. And actually some of Younger's people really had hoped that it wouldn't. From a politics point of view the best thing that could have happened to us would have been for Brown to veto that bill and the legislature not to override the veto, so that we could have made it an issue in '78. But it wasn't an issue any more.

SENEY: So it could have been put on the Democrats . . .

FRANCHETTI: . . . And on Brown. Instead in '78 you could criticize Brown for vetoing it, but it was the law and so on.

SENEY: After the '76 election the Republicans were down to such a low number in the assembly, they couldn't block . . .

FRANCHETTI: . . . No, no. Exactly right . . .

SENEY: . . . They couldn't . . .

FRANCHETTI: . . . They could not override a veto. The Democrats had a two-thirds . . .

SENEY: . . . Except in the senate . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . They were close in the senate . . .

FRANCHETTI: . . . That's right. That's right . . .

SENEY: . . . So you were looking toward a political issue here.

FRANCHETTI: Well, people saw it as one. But at the same time, we wanted to get it through. And I think the vote was a political vote, as many are, that people just felt let's not keep this issue alive. Everybody wants it and so on. And there were a lot of other things that we put together. That was just a very high profile one. Younger had a court reform package that I basically wrote for him. Do you recall a book by [Joseph] Wambaugh called The Onion Field?¹

¹(New York: Delacorte Press, 1973).

SENEY: That was the incompetent defense.

FRANCHETTI: Yes, and at that time it was the longest trial in California history, the longest criminal trial. The lawyer who defended these guys, I forget his name, used to come up to the hearings and he was a man who was absolutely incompetent. His name escapes me. But he would defend these people and then he would be so bumbling that their conviction would be reversed on appeal. That's kind of what he did for you. Younger disliked him very much and tried to get him disbarred and other things. So we wrote a whole series of criminal justice packages, grand jury reform to change how grand juries were chosen.

SENEY: What were the reasons for that?

FRANCHETTI: I'm trying to recall how that went, the way that the law read, and may still read, although a lot of these things have been ultimately implemented through initiatives and so on. At the time, the California Supreme Court had ruled that even if you got an indictment by a grand jury, you were still entitled to a preliminary hearing. From the prosecutor's point of view, the preliminary

hearing is time consuming, it takes a lot of time, is costly . . .

SENEY: . . . Essentially you try the case before you try the case.

FRANCHETTI: Yes, you do a little mini-trial to see if you've got probable cause and we were trying very hard to change that, which ultimately I think has been changed, to say if the grand jury indicts that's all that you need. Just as the federal system is that way. Reform jury selection have six people juries, have judge voir dire instead of lawyer voir dire which we now have in California, but at the time we didn't.

SENEY: If I can stop you for just a moment. This was something that both Reagan and Younger cooperated on. This . . .

FRANCHETTI: . . . To some extent . . .

SENEY: . . . Six person jury . . .

FRANCHETTI: . . . Yes . . .

SENEY: . . . And only five to convict as I recall. .

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FRANCHETTI: . . . I don't remember that. It could be. But even more importantly the voir dire. Jury selection is one of the things that would take a long time. Again that's

changed. The criminal initiative¹ that passed a few years ago ended that. Now judges do voir dire for the most part.

SENEY: That is, question prospective jurors.

FRANCHETTI: Question prospective jurors. But it used to take weeks for lawyers to [question jurors]. And as a lawyer I would prefer to judge my own jurors, but we were trying to save time. It was a question of the system taking too long to try these cases. So we had an entire package of bills. I don't recall all of them any more. But many different kinds of things to speed the process. Of course, the criminal defense lawyers would oppose this because delay was very helpful to them. For several years we developed those [reforms]. And Younger would have a press conference and say, "I'm trying to speed the system up. And here's what I'm doing. Here are my authors." And we would go through that type of thing.

SENEY: Let me stop and say the criminal justice procedure committee, I think it was called .

. . .

FRANCHETTI: It was called the criminal justice committee.

¹Proposition 8, June 1982.

SENEY: In the assembly.

FRANCHETTI: Criminal justice.

SENEY: The one you referred to earlier, the liberal committee . . .

FRANCHETTI: . . . Very liberal . . .

SENEY: . . . The people were appointed from liberal districts . . .

FRANCHETTI: . . . That's right, totally safe. They still are. The same committee is set up the same way. It's always been that way.

SENEY: If I may make a broader illustration here, in the past in the U.S. House of Representatives the rules committee would kill legislation and members were kind of happy about that.

FRANCHETTI: That's exactly the same thing here. That's exactly what criminal justice committee did. They [the assembly member would] say the bill never got to me. Actually we once did an end run. It was very hard to end run that committee because the speakers always kept it that way.

SENEY: And assigned the bills.

FRANCHETTI: Well, yes. The bills would go there as criminal justice bills, sort of routinely, anything dealing with crime would go to that committee and they always had it stacked so

these guys would kill all these bills. We had a bill once on child pornography¹ which would have made it easier to convict a child pornographer. And as usual it was killed in the criminal justice committee. So we decided, and the author of that bill was [Senator Robert B.] Bob Presley, at that time, and the guy who was his aide is Dave Townsend, if you've ever heard of him . . .

SENEY: . . . Yes . . .

FRANCHETTI: . . . He's the Democratic campaign guy. But Dave was his aide. And Presley was--I think it was Presley--a good author. He was a Democrat. Most of the Democrats would not carry our bills but he would carry them because he was a former undersheriff of Riverside County. I'd known him a long time. He was a good author. So we got the bill out of the senate and got it to the assembly and they killed it in criminal justice [committee]. So he moved to have it removed from the committee and have it brought to the floor. Well, that requires a vote of the full assembly to take it out of the committee

¹Unable to verify.

FRANCHETTI: and they wouldn't do that normally because that was their protection. So we called the vice squad down in L.A., and I don't know if it was the city or the sheriff's office, we had them send us up the worst photographs of little kids in sexual situations that we could get. And we bound them and on the day of the vote. . . .

At that time they were rebuilding the old Capitol and the legislature was meeting in these big kind of quonset huts out here at this end of the Capitol in the park, and you sat right behind where the desks were. It was much smaller. We just had the sergeant-at-arms pass out these horrible pictures of these poor kids, and we actually got them to agree not to refer it out but to tell the committee to allow the bill to go out. But that was extreme; people were pretty outraged by it. It was pretty gross, these things, these little kids and so on. But that didn't happen too often and that just happened to be a time when we were able to put it together.

SENEY: Let me ask you. Knowing that you would fail in the assembly committee, would you often start your bills in the senate?

FRANCHETTI: Yes, you would try to start in the senate as much as you could because it would get you some momentum going. But you're right. Although we would always have a mixture of authors. We'd have assembly authors and senate authors. When you put a package together like that, you would maybe have five or six bills. You would have two or three really big bills and then some smaller bills. As the years went by, we'd give the big bills to the high profile authors and we'd get some new authors in and give them a little lesser bill. We'd work with them, and if it turned out that they did a good job, we might next year give them a better bill because these were good bills.

SENEY: What did you offer them?

FRANCHETTI: Just go talk to them and say, "We've drafted this bill and we'd like you to be the sponsor or we'd like you to be the author." Of course, they'd get some press on it. They could write a press release for their district saying I'm authoring a bill to

reform the criminal justice system or to increase penalties for robbery or whatever it was. If they perceived it as good from both their philosophy and their politics, then they would do it.

SENEY: They would come and stand up at a press conference with Mr. Younger. . .

FRANCHETTI: . . . That's right. That's right. Interestingly one of our authors a lot was [State Senator] Alan Robbins . . .

SENEY: . . . Is that right? . . .

FRANCHETTI: . . . Yes, Alan Robbins had just become a state senator, as I recall, and he was one of the few Democrats that was willing to really come in and handle these kind of bills for us.

SENEY: Little did you know.

FRANCHETTI: Interesting how the world changes over the years. [Laughter]

SENEY: Yes.

FRANCHETTI: Yes, and it was a good chance to get some press. In their districts they would show that they authored this bill and so on.

SENEY: Did Mr. Younger campaign for them in any way?

FRANCHETTI: Sometimes. But it was even less than that. I think it was just the idea that we had the

brain power to develop these kinds of ideas, and they were good ideas, so people liked to carry them because they reflected well upon them as they did their jobs.

SENEY: What you are saying here, I think, by implication is that this is not only a legal operation but by necessity it was a political operation.

FRANCHETTI: Yes, it was a political one. Once again by trying to do these good things, you wanted to make Younger look good. But at the same time, it wasn't necessarily a partisan politics thing although many of the Democrats would not carry these bills because they didn't want to give Younger any credit. Once in a while a Democrat would. We generally did Republicans.

SENEY: I think a lot of people might say 1966 was a key year with reapportionment, the senate becoming reapportioned, and so many new assembly Democrats coming to the senate, that things were certainly much more partisan in the '70s, were they not?

FRANCHETTI: I found them very, very partisan. People talk about the old days, how they weren't partisan. To me everything was partisan

because I was perceived as being partisan. Even though I was a civil servant. Seldom would we get a Democratic vote. Once on the floor we might but in the committee it was very hard to get Democratic votes because they did not want to help Evelle Younger. They perceived all those bills we had, and rightfully so, as being things he would use to run for governor. Another major issue that we carried and that we did, I believe when Younger was attorney general, was mandatory sentencing. "Use a gun, go to prison," was created by me based on the concern that people were committing violent crimes with guns and were not being sentenced to prison. Younger as a judge could understand why a judge would not sentence a person to prison.

SENEY: He had been a superior court judge.

FRANCHETTI: Yes, and he said because when the person is there before you, you don't see them as a criminal, you see them a little differently. It's easier not to sentence them. So we drafted mandatory sentencing laws.² The

²S.B. 709, 1977-78 Reg. Sess., Cal. Stat., ch. 579 (1978).

first author of that bill was [Senator] Fred [W.] Marler [Jr.] who carried it and we lost. Then we went to George Deukmejian who was senator and he carried it and it got out of the senate all right. If you used a gun in the commission of a felony, you went to prison. We had bumper stickers and different things with a jail cell, "Use a gun, go to prison" . . .

SENEY: . . . Billboards . . .

FRANCHETTI: . . . Billboards. There was a victim's crime group that got behind it. We had quite a big thing going.

SENEY: Did you orchestrate that?

FRANCHETTI: I orchestrated it, yes. There were other people involved, but I was really the one. I wrote it and I started it.

SENEY: Give me a sense of how this works. Here you want to pass this bill, Marler's lost. You say this time we're going to win it. We are going to take a different approach. I'm trying to get a sense of . . .

FRANCHETTI: . . . I'll tell you how it passed . . .

SENEY: . . . Good . . .

FRANCHETTI: . . . We actually did two things. First thing Marler tried to carry it and lost.

Then we thought, "Well, let's get it on the ballot as a . . ."

SENEY: . . . Let me stop you. Was Marler a good choice, do you think?

FRANCHETTI: Yes, he was, he was a good choice at the time.

SENEY: Later he becomes maybe a little more marginalized.

FRANCHETTI: No, no, I think the reason he didn't carry it again was I think that he left the senate right after that. The reason we went to George. This was just before he became a judge. But I had known Marler, his family was from Redding and he was well thought of. Then right after that Reagan appointed him to the bench, and so he was gone. But actually in between the two years, we tried to run an initiative much as we had done with the death penalty. Only the world had changed on us and we couldn't qualify it. It just fell apart. We couldn't use the police any more. They'd changed the law and we couldn't use them. A lot of things had changed so we tried an initiative and the law enforcement people worked on it. It failed. So then we decided, let's go to George Deukmejian and

see if he'll carry it, and he agreed to carry it. We took it through the senate. We got it to the assembly, criminal justice committee again, beating us up. We argued it and argued it. The votes just were not there. Until one day I came into the rotunda of the Capitol and there were people yelling and screaming, and I saw a bunch of people rushing into the governor's office from this doorway over here. That's when [Lynnette] Squeaky Fromme tried to kill [United States President Gerald R.] Jerry Ford.

SENEY: Here in the Capitol park.

FRANCHETTI: Right over here, yes.

SENEY: She got a couple of shots off.

FRANCHETTI: She tried to. A policeman or an FBI [Federal Bureau of Investigation] guy got his hand between the hammer, and where it hit the cylinder or whatever you call it, the pin. At any rate, in all that fuss over her attempt, our bill came up and they passed it out. There was a flurry of gun incidents. . . . And as a matter of fact, I'm not sure if it passed out within that week, but a couple of weeks later this lady in San Francisco tried to shoot [President Ford] . . .

SENEY: . . . She actually did shoot . . .

FRANCHETTI: . . . She actually got some shots off. So, in that intense public atmosphere of firearms, of assassination attempts, the criminal justice committee gave us the votes to send that bill to the floor. I think the Democrats just didn't feel they could hold it up. And so that bill became law.

SENEY: If I can take you back, I want to ask you about something.

FRANCHETTI: Sure.

SENEY: That's kind of related to this.

FRANCHETTI: Sure.

SENEY: I meant to ask you this regarding the 1974 primary election. On the Republican side, of course, Mr. Flournoy kind of gets it by default. This is the first time there hasn't been an incumbent for governor in many years . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . On the Democratic side Jerry Brown, [Joseph] Alioto, and [Bob] Moretti are running. And Moretti in an interview he did

on this project¹ said he thought that the [Patricia] Patty Hearst kidnapping had a great impact on the Democratic primary because through the June period they just couldn't cut through the media attention to the kidnapping, and Brown's name, Jerry Brown's name was the prominent name, thanks to his father. Moretti thought that had some influence. Do you recall that?

FRANCHETTI: No, I don't. I really don't on that. And it very well could be true. I recall all those folks running but I don't remember exactly what was happening with them.

SENEY: Can you give another example of the kind of legislation . . .

FRANCHETTI: . . . Well, another bill that we sponsored is again now something we're seeing at the federal level, and that is the waiting period to buy hand guns.² There was already a law on the books that required a two or three day wait. The problem was that there was no way you could get the person's records,

¹Bob Moretti, Oral History Interview, Conducted by Steven D. Edgington and Harvey P. Grody, Legislative-Governor Relations in the Reagan Years.

²A.B. 1441, 1975-76 Reg. Sess., Cal. Stat., ch. 997 (1975).

FRANCHETTI: especially in those days when you didn't have a computer system set up the way they are now. There was no way you could get that application up here to the Department of Justice fingerprint section, which was at that time out at 33rd and C Street, and process it and get it back. After three days a person would come back and say, "OK, I'm . . ." There's no report, and they give you the gun. And this came about after the attempted shooting of Ford in San Francisco. So we put together a bill that, I believe, required a ten day waiting period. I think now it's fifteen but it was then ten. Now they're talking about cooling off time for maniacs. This was just designed to give us time to process the application, not to cool off people. And that was a Younger bill. The gun lobby at that time had a strong reputation of being able to defeat legislators. There was this story--it took place before I started there--an assemblyman [Winfield A. Shoemaker] had carried some kind of a gun restriction bill. The gun lobby had gone after him and defeated him in the

election and everybody from then on was afraid of . . .

SENEY: . . . It was sort of the lore . . .

FRANCHETTI: . . . It was sort of a lore that the gun lobby had always done it. So they came very, very heavy against us but we got it through the assembly, which you would expect because this now was something they would vote for. We got it to the senate and the lobbyist for the gun owners association was a guy named Keith Gafney. He was waiting to get up to testify whenever our bill came up. We waited and waited, and our author was there--I forget who the author was--and he was sitting there. There were enough votes on the committee particularly if there wasn't a fuss made; we could tell we could get it through. And I had a guy working with me--I forget who it was, one of the deputies I had occasionally working with me--and I said, "Keep an eye on Gafney. Let's see when he leaves the room." So Keith left the room to go to the bathroom, and [Laughter] our author went up and got the bill and we got the votes in a couple of minutes. "Any opposition?" "No." I think Al Song was the chairman and

he was in favor of it. Got it through. Poor Gafney came back and waited another hour or two for the bill to come up. [Laughter] He didn't realize that it . . .

SENEY: [Laughter]

FRANCHETTI: But you can see the range was from big philosophical issues like the death penalty or mandatory sentencing to procedural issues like how the grand jury functions to almost mechanical things, how long does it take to process something. That type of thing. Those were the kind of bills that we dealt with.

SENEY: From the tone of your voice and the look on your face it seems that you enjoyed yourself.

FRANCHETTI: I did for several years. Toward the end I got tired of it because it was very frustrating because I was always losing. I had one or two victories but that's it. After eight years we may have had only three or four bills that got out. We always got beaten and I got very tired of it. I was really very, very happy when George became attorney general and I became chief deputy because I then had a whole different job. I was glad to be out of lobbying. I didn't

think I'd ever get back, but I did as it turned out.

SENEY: You met him through your work with Mr. Younger sponsoring these bills. What kind of a senator was he? How would you characterize him as a senator?

FRANCHETTI: Very responsible. Very knowledgeable. He'd been around a long time. Not flamboyant in any way. Boring public speaker. He got much better as time went on. He didn't participate in the social life of the capital. I worked with him very closely which is why I ended up working with him later because we had him carry a lot of our bills. He was very hard working, very knowledgeable, very well thought of, I think. Respected by a lot of people. When I knew him, I'm sure he had different arrangements prior to that, he used to just come up and rent a motel room out toward Davis. There was a little hotel-motel set up, and several times I'd give him a ride there after we would work late because he didn't want to bother with a car. But very straight, straight forward, not very emotional.

SENEY: Looking at the senate journal, it's clear that bulk of, almost exclusively, the legislation he sponsored had to do with criminal justice.

FRANCHETTI: That's right. Very oriented to criminal justice matters. He wanted to be attorney general. George Deukmejian for most his career, I think, wanted to be attorney general. His goal was to be attorney general and never do anything else. He didn't want to be governor in the beginning at all. Other people like myself wanted him to be governor, but he didn't want it. He wanted to do a real good job. He wanted to be attorney general for three or four terms and then retire. That's what he liked to do. He was very highly thought of by the law enforcement community, the sheriffs and the district attorneys and the police chiefs and the kind of groups that would support law enforcement. He took all the law enforcement bills, as I said, mandatory sentencing, death penalty, and I'm sure many, many others we could find if I were to look at the [California Assembly or Senate] journal. Whatever it was, he was very much involved in

all that. And, as you know, he tried a couple of times for attorney general. He wanted to run in '74. Had Younger run for governor, Deukmejian would have run for attorney general, no question about it.

SENEY: '70 seemed awfully early for him to run for some reason. I guess that betrays his ambition for the office.

FRANCHETTI: That's right. He really wanted to be attorney general. That's what he thought was the thing he wanted to do. Can we stop for one second?

[Interruption]

SENEY: Talking about Mr. Deukmejian's sponsoring bills . . .

FRANCHETTI: . . . As I said, he was very well-known for law enforcement things. He was very well thought of and again clearly wanted to be attorney general. He was not happy that Younger had not run for governor in '74 because Younger had given every signal that he was going to run for governor. I think George had even begun to start a campaign and raise money, and then gave it all back. There were not good feelings between Younger

and Deukmejian. They were not close in any way.

SENEY: In social terms, in a sense, Mr. Younger maybe was a bit more patrician, would that be . . .

FRANCHETTI: . . . You know, that's a good way to define Evelle Younger. You've hit upon the word. He was sort of part of an old L.A. society that existed after World War II and through the fifties and maybe into the sixties and a little past that but doesn't really exist any more. He was part of that era, and that is a very good way to describe a general view of him. He was a bit of a patrician. He would have been a good Roman senator.

SENEY: [Laughter] Am I right in thinking that a good deal of this came through his wife who was socially prominent?

FRANCHETTI: Yes, I think so. Younger's background was very, very modest. He was from Nebraska; he came from a very poor family.

SENEY: Are you aware that his family was related to the Younger brothers?

FRANCHETTI: They said they were. I never really believed it although I'll say this. I think I subscribed once to a Time-Life book on the

wild west. You know, they have a series that you may have seen, lots of pictures in it. One of the Younger brothers sure looked like Evelle Younger's son Eric. I would say that. They used to claim that, but I don't know if that was true or not.

SENEY: I would be interested in your talking about Mrs. Younger. Did you know her?

FRANCHETTI: Oh, yes. Certainly, yes. You know she was a woman who labored under a tremendous physical problem when I knew her. Mildred. She had been in an accident of some kind . . .

SENEY: . . . Automobile accident . . .

FRANCHETTI: . . . And could not speak very well. She had a very hard time talking until the last couple of years of his term. Then she had some surgery and she got her voice back, which was a blessing. I met her many times and was around her, and what I knew of her was that she was really a driving force in Evelle Younger's life. Always the comment was: she should have been the attorney general. Not in a negative way, but she was the politician. Of course, she had run for state senate from Los Angeles County when they had one representative . . .

- SENEY: . . . And nearly won . . .
- FRANCHETTI: . . . And nearly won. There was no question but that she was very, very instrumental in his career and was his number one advisor. Many of the things that he did, for example voting for [California Chief Justice] Rose [Elizabeth] Bird to go on the supreme court, were at her recommendation. There is no question about it.
- SENEY: Did you ever get the sense when you brought up important issues to him that he would postpone the decision until he discussed it with her?
- FRANCHETTI: No, I never got that sense. I believe she was sort of his political brains. That's not to say he didn't have an instinct for it. I always viewed her as being very much involved in helping him develop and plan his career. In fact, I believe probably in the last year or two, in '78, she was probably the driving force behind him running for governor. I really don't believe he really wanted to do it any more . . .
- SENEY: . . . Along with his staff . . .

FRANCHETTI: . . . That's right. It was staff that certainly pushed him. But I think she was the reason he was doing it.

SENEY: Why do you say she was instrumental in his voting for Rose Bird?

FRANCHETTI: Well, because . . .

SENEY: He, of course, was one of the three votes.

FRANCHETTI: He was the vote. What essentially occurred was Brown nominates Rose Bird who had been involved in the ALRB [Agricultural Labor Relations Board] and who was hated by all the agricultural people in California. They just hated her. The retiring chief justice--I guess, was that [Donald] Wright?--was going to vote for her. The appointment's panel that approves those are three votes: there's the attorney general, the chief justice, and the senior appellate court justice. At that time I forget the man's name. But the senior appellate court justice said, "I'm not going to vote for her. She's not qualified." Now Younger had a philosophy that he would not exercise much discretion in these court appointments . . .

[End Tape 2, Side A]

[Begin Tape 2, Side B]

FRANCHETTI: He used to say that he wasn't the governor and unless the person was morally unfit or whatever that he would vote for them, and it was the governor's responsibility. And he did that almost all the time.

SENEY: Did you quarrel with him over this decision?

FRANCHETTI: Prior to making it, yes. Afterwards there was no use arguing; it was done.

SENEY: That's what I meant, beforehand.

FRANCHETTI: Yes. But on this issue there was so much pressure. It was clearly in his own interest, both philosophically and politically, to vote against her because he was going to please all these people. I and a number of other people really argued, you know, and said, "You've got to vote against her." And when we last saw him, he was going to vote against her. I was in Orange County that day driving to a meeting and I heard on the radio that she had been approved, and he had voted for her. Afterwards I was told by someone, I don't know who it was, that the impression was that Mildred Younger felt that since Bird was a woman, he should vote for her because it would help them with the women's vote. But, of course, had he voted

against her, there would have been another chief justice and that would have been another story too.

SENEY: He justified his vote to some extent in the interview by pointing out that the law says qualified . . .

FRANCHETTI: . . . Yes, and that was his philosophy. We were trying to get him to make an exception because there was so much opposition to her.

SENEY: In the interview he referred to [Associate Justice] William Clark who Reagan had appointed and that there was a lot of complaining about whether or not he was qualified. He said he had done the same thing for Clark. He'd angered the liberals and now he was going to anger the conservatives.

FRANCHETTI: And that is consistent with his approach to that particular responsibility.

SENEY: Going back to Mr. Deukmejian, in interviewing individuals who served in the senate, I asked about Mr. Deukmejian and whether or not he was noted as a comer, the type who would be governor some day and wanted to be governor and universally they said, "No."

FRANCHETTI: Nobody ever thought that he would be governor.

SENEY: He didn't seem to have the ambition for it. Everybody regarded him very highly, very highly. A hard working man. Kind of colorless. I think all things he would say about himself.

FRANCHETTI: Exactly. That's right. That's right.

SENEY: But never this sense of ambition of wanting to be governor.

FRANCHETTI: That's right.

SENEY: And you say attorney general was maybe all he really wanted to be.

FRANCHETTI: There wasn't any secret about it. He very much wanted to be attorney general. When he first became attorney general, that's all he wanted basically to do. But he had the misfortune of bringing me in and I wanted him to be governor. So I pushed very hard to do things that would keep him [in the public eye]. When I became the chief deputy, I had learned all the things that Evelle Younger had done wrong. I felt that his staff's orientation toward him wasn't as a politician but too civil service focused. All these things that we've talked about. In my mind,

I had sat there and I had seen how one politician had really been undercut by his staff. That's what I believed . . .

SENEY: . . . Do you still believe that?

FRANCHETTI: Oh, yes. Undercut not in the sense they wanted to hurt him. They would have loved to have had him be governor. But they didn't have any political sense and he allowed them to make decisions that hurt him. So when George agreed that I would be his chief of staff . . .

SENEY: . . . How did that happen? How did you get that job?

FRANCHETTI: I called him up on the phone. [Laughter] I said, "I'm sure glad that you're going to be attorney general elect and I'd sure like to be your chief of staff." And he said, "Do you think that you can do it?" And I said, "Yes, I can do it." I didn't know if I could do it or not. I wanted to do it. He said, "OK." That's how it came about. I just knew him well. We had a lot of confidence in each other. We saw each other a lot during that time.

SENEY: If you'll forgive me, that was a little brazen.

FRANCHETTI: Oh, yes. Well, I was an ambitious guy.

SENEY: Is this the Michael Franchetti style, may I ask?

FRANCHETTI: Yes, well, it was in those days.

SENEY: I'm not criticizing.

FRANCHETTI: No, no. No, and I don't view it as a criticism, no. It was just basically that I wanted very much to do that, and I thought there wasn't any reason not to do it. I took a shot.

SENEY: This was something obviously you wanted very badly. You thought if you didn't put yourself forward, you might not come to mind.

FRANCHETTI: You have to place yourself in the position to have somebody say yes or no. He could have said no. But at the time it worked out. Also, I knew the attorney general's office very, very well. I knew it both as a civil servant and also from the position of how I think the office should be used by the person in it, who wishes to advance himself. I was interested and anxious to help somebody to do that.

SENEY: How did the office look from the rather high vantage point of chief deputy as opposed to where you had been in the organization?

FRANCHETTI: Well, in terms of how the office looked, I had always had been sitting in with the people that ran it. I'd been so close to Younger and so part of his inner staff that I was used to hearing all the policy stuff. Probably the biggest thing was here I was the guy who had only been there a few years and all of a sudden I was literally firing the people I had worked for, firing them out of their jobs, and taking over. It was for me personally a very challenging time because I had to assert myself rather quickly from somebody people knew as a fairly young deputy. It was. . . . When did he run for election? '78. Is that right?

SENEY: Yes.

FRANCHETTI: Yes, so I'd only been there in the AG's office for about eight years, nine years.

SENEY: You'd be thirty-six years old.

FRANCHETTI: Yes, I was in my thirties. All of a sudden I was in charge of everything. At the time it didn't bother me, but it was a challenge. I knew I had to do it.

SENEY: Younger had a mini-staff, maxi-staff system.

FRANCHETTI: Yes, he had all sorts of staffs.

SENEY: Mini-staff. I take it you would have been part of that . . .

FRANCHETTI: . . . That's right. That's right . . .

SENEY: . . . The various division chiefs . . .

FRANCHETTI: . . . The maxi-staff, I forget, included a bunch of others.

SENEY: . . . There were about sixteen that would meet together. What did you think about that system?

FRANCHETTI: We didn't keep it so I must not have liked it. [Laughter] Actually, what he called the mini-staff would have been the executive staff and that's what would be . . .

SENEY: . . . Heads of the divisions.

FRANCHETTI: And that's basically what we kept. We'd bring a legislative guy in and maybe the crime prevention people if that was what we wanted, whatever. It was a small working staff and that's what you really needed. The larger staff was almost done for show. Kind of to bring the people in. And that's how Younger worked. I don't think we really ever did that. And I reorganized the office back to the way it had been before Younger. Although Van de Kamp people put it back the other way.

SENEY: That's interesting. Let me ask you maybe one more question about Younger. I know you said you thought his staff didn't serve him well in the sense that they didn't foster him. Do you think he had pretty good control over the department?

FRANCHETTI: No, no. In fact, I know he didn't. In many cases, but I can't give you exact examples any more. I used to be very frustrated. These people, I really believe, went out of their way to carry out their own goals which they believed were good. I don't mean they acted deliberately to hurt him. Take the environment special operations, those guys went off and they would file lawsuits they never should have filed. They alienated people. They abused, in my view, the discretion of attorney general's office in many cases. A lot of what we did when George was attorney general was try to undo that. I have said, "Well, maybe that's what Evelle Younger wanted." I don't really believe that, but maybe I'm wrong. In my mind, people were out of control. They were allowed to file lawsuits and make representations that were far beyond anything

Younger ever wanted. Because that he had such great trust in his division chiefs he allowed them to do pretty much what they wanted. And Barrett, who is a nice man and who I like, was part of the same group. They were part of a little club. They felt institutionally that they had a lifetime right to those jobs. When we let them go, they were very upset.

SENEY: You mean under the Deukmejian administration?

FRANCHETTI: These are appointed jobs. You know, these are not civil service. It was almost a carry through from the Lynch days because Younger had kept those guys. They still kind of had this view that the attorney general's office is an institution, and attorney generals come and go, but we sort of run it. Attorney generals are there. My view of the attorney general's or any other elected office is: the office is the guy that is in the office. When he is gone, somebody else has it. They are the one's that are responsible. They are the ones who call the shots. That was a difference. I can't give you chapter and verse, but during those years again and again I felt that Younger was hurt by decisions and policies that were carried out that were

never really his own policies. Not every one, but enough that it was really bothersome to me.

SENEY: Under Younger, I take it the head of the environmental division could have authority to institute a law suit without taking it any further up.

FRANCHETTI: Well, it wasn't just that. They would take it up if it was a major action. But it wasn't so much just the law suits, it might be the appearance of a deputy at a meeting who was a very strong environmentalist. Younger's environmental unit was a very strong environmental unit. It made a lot of changes in California. Actually, as years have gone by, it probably was positive. [Laughter] What they did probably was a benefit in the long run, but Younger was getting hit by his supporters. You are looking at business, you're looking at agriculture. And they were saying, "What are you guys doing to us?" He would take all this heat and lose the support he should have had all because some civil service deputy was out doing things that he would not have permitted him to do if he knew they were

doing it. That kind of thing was going on. Sometimes I think maybe he wasn't given the full overview of issues. And people went very, very far. So that's what I'm pointing out. That was my view of the office when he retired.

SENEY: When Lynch was in office, you mentioned that the Sacramento, the San Francisco, the Los Angeles offices enjoyed a lot of autonomy, did that continue under Younger?

FRANCHETTI: No, Younger made a major reorganization. There is no question about it. As opposed to the offices being autonomous or nearly autonomous, he organized it so that it was run sort of laterally, I guess, rather than horizontally, however they put it. It was subject matter orientated. So that if the head of the special operations division had people in the various offices, that whole unit reported up through that chain of command. There was an administrative guy in each office that made sure people came to work and so on. But the policy judgments were taken away from those people. Whereas in the past the head of that local office had enormous policy oversight, the criminal

division went this way, the civil division and so on. Although those jobs had existed before, the real power was in the office heads and Younger saw that that didn't work, and it really didn't because if you want to coordinate what you're doing, you've got to have somebody who can call the shots. So he made some very major changes in all the offices. And it was a good organization. It worked well. It stayed together.

SENEY: He had been a very successful district attorney . . .

FRANCHETTI: . . . Yes, he had been . . .

SENEY: . . . In Los Angeles. So he certainly was a skilled administrator.

FRANCHETTI: Yes, and I think when he says he was a good administrator, I think he actually was. I think administratively the office functioned. Things got done.

SENEY: Now we switch to Mr. Deukmejian and he comes with really no administrative experience, am I right?

FRANCHETTI: That's right.

SENEY: He'd been a practicing attorney.

FRANCHETTI: That's right and a legislator.

SENEY: And primarily a legislator. For many years, a legislator.

FRANCHETTI: That's right. In fact, he had been a legislator for twenty-five years. He had a twenty-five year anniversary. Somewhere, what did I do with it? Here it is. So in '87, he started in 1962.

SENEY: In the assembly.

FRANCHETTI: Yes, that's right.

SENEY: You must have had kind of an advantage here in a sense. You know the department, you'd had large scale administrative responsibilities.

FRANCHETTI: Not responsibilities but I had observed people doing that.

SENEY: Knowledge.

FRANCHETTI: Knowledge would be different. Yes.

SENEY: Did the attorney general, Mr. Deukmejian, defer to you? What I'm trying to do here is get a sense of the kind of boss he was, how much direction he might give you.

FRANCHETTI: When George and I worked together both as attorney general and the year he was governor and I was finance director, he basically would turn it over to me. He had a great deal of confidence in my ability to do these

things. In the attorney general's office during interim between the election and when he became attorney general, I came up with a reorganization plan. I always viewed organization and structure as a way to implement policy. I'll give you an example. When Younger came in, he formed the special operations unit which was environmentally oriented, consumer fraud, and so on. George ran on a platform that these guys have gone way too far, that the environmentalists were wrecking business in California. So, I abolished that unit. We didn't have a special operations unit. I merged them back into the civil division. The reason for that is they no longer had direct access to the highest councils. There wasn't an environmental spokesperson any more. The environmental spokesperson reported to [William] Will Shank who was head of the civil division. I knew [him] very well and he was a very competent person. It mellowed their ability to access the attorney general and was a way of reducing their profile.

SENEY:

And their significance and their influence .

. . .

FRANCHETTI: . . . And their significance and their influence and so on.

SENEY: Could you just do this with the AG's signature? Reorganize the administration of the department?

FRANCHETTI: Sure. You could organize it any way that you wanted. The attorney general's office is a unique office in government because it's got a lot of things that it does. It's a little FBI; it's a little U.S. attorney general's office, and you can do almost anything within the confines of it, and nobody really cares what you do, to be very truthful. It isn't like being governor where you've got agencies and the legislature can approve what you've done. You can organize it any way that you want. The law just simply says that there's the office of the attorney general in the division of law enforcement or something like that. You can do it any way you want.

SENEY: Let me ask you. Here you are stepping into this very high level, the high level position next to . . .

FRANCHETTI: . . . Certainly in the career I'd been in.

SENEY: And you're working with people, as you said, and now you are far above people who have

been far above you, and you're relatively young. And so I would suspect part of that issue is you got to put your stamp on things . . .

FRANCHETTI: . . . Oh, yes . . .

SENEY: . . . You've got to let them know who the hell they're dealing with here.

FRANCHETTI: That's right. That's right.

SENEY: So were you kind of vigorous in carrying these things out?

FRANCHETTI: I would think so. Yes. In the first place, I had some people around me that I brought in, not brought in, people I knew. Will Shank, the head of the civil division was a close associate at that time. Then we hired [Robert] Bob Philobosian who became district attorney of Los Angeles County for a period of time and he was a deputy DA. We brought in a fellow named [Rodney J.] Rod Blonien whom I had known who had been the executive director of the Peace Officers Association, and a lot of people that I sort of knew. We formed our own staff. Yes, you really had to go in, especially when you got rid of all the old people that had been there for years. You had to go in very, very quickly and

basically say, "Here's what we're doing." I don't know what people thought of me, but I always felt that I was pretty well accepted in that role and . . .

SENEY: . . . Well, changes are uncomfortable for some.

FRANCHETTI: Yes, and it was uncomfortable for me. The first meetings I held with all the deputy attorney generals, it was a little odd to walk in and all of a sudden I'm the guy who's supposed to be the boss. But it worked out, it worked out all right.

SENEY: If I may say, in general terms, what use is the election process if it doesn't create some change in the administration process?

FRANCHETTI: That's right. That's right. And that's very much what I felt. I believe that now. I believe that with whoever is the attorney, or the governor or whoever it is. Whether I agree with them or not, I believe they should go in and put their stamp, their philosophy on state government because that is why we elect them. If not, why not just keep a career civil service to do it and just plod along?

SENEY: Can you explain to me, give me a sense of what maybe a meeting with Deukmejian would be like?

FRANCHETTI: The thing that always fascinated me about meeting with George was that . . .

SENEY: . . . You always call him George?

FRANCHETTI: Oh, yes.

SENEY: It was a very informal relationship.

FRANCHETTI: Yes, and that's what he really wanted. We stopped calling him the AG General. He didn't want to be called General. He came in and he changed a little bit as the years went by because he was in high office and he began to have bodyguards and so on. When he became attorney general, he didn't want even a driver. And I had to insist that he have bodyguards. Younger had bodyguards. We had to make a big issue over it. He didn't want to be called General. All of the attorney generals prior to that that I'd known had been called General. Lynch was called General and there was . . .

SENEY: . . . But he was a military general as well.

FRANCHETTI: Younger was, but Lynch . . .

SENEY: . . . Younger was . . .

FRANCHETTI: . . . But it wasn't because of that. It was because that's what they all called them. It was sort of an institutional name. He didn't want that and so that ended. I don't know if they do it now or not. He didn't want any perks, you know. He was just really a common guy.

SENEY: He is a very modest man by reputation.

FRANCHETTI: Yes, that's right, exactly. We had a lot of effort to give him a modicum of protection and so on because they need something of that nature. At any rate, the thing that was most interesting about him was that he was so knowledgeable about everything. Evelle Younger was judge and district attorney so issues involved in government were not really very real to him. He knew them a little bit but I'd go in and brief him as would others, "This is what's happening and blah, blah, blah, blah." Well, George had been around here for all these years, and I'd start saying [something about a problem] and I'd realize he was being nice to me because he knew more than I did about the thing. He was an extremely knowledgeable person in government policies. He'd been around for so

FRANCHETTI: long. He'd heard all the issues as all these people do eventually. They keep hearing the same thing all the time.

And so a private meeting might just be the two of us sitting like this and we would go over a few issues, and I would make some recommendations. George is a guy who I was able to persuade very well. I could read him very well and I had a knack--and people used to laugh about it--of convincing him to accept my advice. Let's put it that way or, at least, I would discuss things with him and we would come up with a mutual decision. Or he'd make a decision but, at least, I would have my say. He would very often sit there very seriously and if he didn't like something, he'd go, "Hmm," and make noises and sort of shake his head and that would scare a lot of people. So a lot of people would sit there and shut up. [Laughter]

But we'd have lunch together almost every day, I'd say four or five times a week when he was attorney general. We would talk about what was happening. I would not sit in on every meeting that he held. But I set up a system that funneled everything through my

office because I felt that that was important. So we had a very good informal, trusting, close relationship. A staff meeting would be a little more formal because we would prepare an agenda and discuss issues. I always felt that the staff owed to the attorney general their best input. So if you didn't agree with something, you'd discuss it and he could make . . .

SENEY: Yes. Did he want that kind of thing, disagreement from his staff?

FRANCHETTI: Oh, yes. Oh, yes. He liked it. That worked out well. But a lot of people, especially later, jumping a few years ahead when he became governor, would have a hard time. I don't know if he ever realized this but he would have a hard time getting honest opinions from people because they were trying to sense what he wanted to hear. And he would visibly show he wasn't happy with something, but that was just his nature. Some people would stop and they wouldn't say anything any more. They would back off.

SENEY; [United States President Harry S.] President Truman made clear that he wanted to hear the bad news . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . He didn't want to hear the sugarcoated stuff . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Otherwise, he couldn't make good decisions . . .

FRANCHETTI: . . . That's right. Again a lot of our stuff was very informal with one or two people. We'd have every couple of weeks a staff meeting. And a lot of the staff meetings in great part were just to make sure the other top administrators all had a chance to all get together with the boss and talk a little bit.

And we scheduled those in various offices. So, we might have one in Sacramento and then two or three weeks later have one in L.A. or whatever. Everybody would get together and it would be a chance for the top administrators to visit and work on projects and talk to the attorney general. Everybody talked to him individually. It wasn't like no one could see him. He pretty much had an open door policy. But as a matter of procedure, most people would go through me

almost voluntarily. It worked pretty well that way.

SENEY: Obviously, you are going to be giving him good sound advice.

FRANCHETTI: Trying to, sure.

SENEY: Was he able, did you have the feeling, to discern and cut through issues and see the important points? Was he a good decision maker, did you think? Apart from being knowledgeable . . .

FRANCHETTI: . . . Yes. I think that in the beginning he was perhaps less so than he was later. I think that, and I guess part of it was he was very sensitive in the beginning to criticism, and he probably still is but he learned as he got criticized so much. He got a lot much tougher [Laughter] although you probably wouldn't know it. He had good instincts, and he has a long-term philosophical base that he comes from, you know. Very often he would draw back on what he believed even though I or other people might not agree with it. "That's what I believe." We would have a big discussion about, "We know that's where you want to go but here's where we think you ought to go because this is why we want to do

it." And that type of thing would occur but there weren't any delays in decisions and that is perhaps the best answer. It wasn't as if we'd sit around and wait while he procrastinated on something. We'd pretty much get decisions made as they were needed. And there aren't a lot of instant decisions as attorney general that you have to make. If there was a law suit that you wanted to file, you could take some time and look at it. It isn't like you have something that has to be done in the next hour or something.

SENEY: I take it you think he was fairly easy to work with.

FRANCHETTI: I found him easy to work with. Yes. Except with that one habit that he had of sometimes sort of frightening people because if he didn't like something or was thinking about it, he'd look like he was kind of mad about it.

SENEY: But you knew how to read him?

FRANCHETTI: Oh, yes. That was just part of it. Sure. He wasn't necessarily mad about it. He would just be thinking about it. I used to laugh because I could see them change their tune,

trying to make him smile. [Laughter] And that's not what he wanted.

SENEY: If he had bad news to deliver, would he leave that to you or would he do that himself?

FRANCHETTI: No, he would do it himself. I would do it sometimes. However, I'm the kind of person who likes to have somebody else give the bad news. But whenever there was something negative, in fact, many times, particularly when there was a personnel issue with somebody . . .

SENEY: . . . That was what I was thinking about . . .

FRANCHETTI: . . . He would do it rather than have me do it which I always appreciated.

SENEY: Right. Some are not that way.

FRANCHETTI: I would be that way. I mean if I were in his job, I would have my chief deputy do it.

SENEY: [Laughter]

FRANCHETTI: Because I don't like that, but he would face up to it.

SENEY: Did he ever comment on the transition between the senate and the attorney general's office?

FRANCHETTI: No, I really don't recall any conversation on that. We didn't talk a lot about the senate. He really left the senate behind very

quickly. He didn't take any of his staff. He took one guy named Tony Cimarasti, his press guy, who really lobbied for it. But he left all his aides and other people. I don't think any of them had had jobs in the AG's office. He really just walked away from it.

SENEY: Were they long-term aides?

FRANCHETTI: Many had been around for a while. Yes. Now a couple of them ultimately, when he became governor, came back and worked in the governor's office. And maybe it was because your ability to fill slots, exempt slots, in the AG's office was pretty limited. And maybe they had better jobs in the legislature. Many of the people are still working in the legislature. So, he really didn't take a lot of people. In fact, he never really kept in touch with the legislature. Ultimately, it probably came back to hurt us a little bit because that first year when he was governor, we had terrible confrontations with the senate. And we really shouldn't have had it. We didn't expect it. We really got caught off guard. And maybe it was because he didn't keep those

contacts up somehow. And they expected him to be different. And we had this big fight.

SENEY: To jump in just for a moment. A lot of people thought things were going to be different.

FRANCHETTI: Oh, I thought so. I was amazed. [Laughter] We got in a horrible fight.

SENEY: Going back to the kind of changes you made in the attorney general's office. Actually let me see here. We're just about . . .

FRANCHETTI: . . . Do you want to take a couple more minutes? Do you want to hit that part and then we'll stop?

SENEY: Sure. About the changes you did make when you came in as chief deputy.

FRANCHETTI: Well, the first thing we did was we removed all the people that had been Younger's appointments. Some of them retired and some just went back to civil service jobs. And some may still be there.

SENEY: They had the right to.

FRANCHETTI: Oh, yes. Every one of them was a civil service employee who had been brought up but could go back and still have a good job if they wanted to do so. We changed the organization to remove the special operations

division. We created an opinions unit. Opinion writing for the attorney general is a major function, but it was always criticized because it took too long to get opinions out. And that's because they'd just assign it to somebody, and they'd get to it when they could. So I created a unit that was designed just to write opinions. Then we kept track of how long it took and we tried to speed that up.

SENEY;

Did that work pretty well?

FRANCHETTI:

It worked pretty well. In fact, I think they still have an opinions unit. But it was a matter of having to stay on top of it all the time. We created a crime prevention unit. That was a major function that we had. We literally took that responsibility from the governor. Those are probably the major changes that we made. A lot of it was just enforcing things, to give you an example. This is part of the group that was out of control when Evelle Younger was there.

[End Tape 2, Side B]

[Session 2, December 9, 1993]

[Begin Tape 3, Side A]

SENEY: The last time we were talking about the 1978 election. And there were one or two other things that I wanted to ask you about. Did you play any role at all in that election on Mr. Younger's behalf for governor?

FRANCHETTI: I worked on his campaign. I was in the attorney general's office, but I was one of the people that was an advisor. I helped him prepare for the debates that he had with Jerry Brown.

SENEY: How did you do that?

FRANCHETTI: The way that that was done was that some individual, probably one of his full-time campaign people, would gather a whole list of subjects and issues that people thought would come up in the debate and then a number of us, I and a lot of other people too . . .

SENEY: . . . What issues would those be?

FRANCHETTI: . . . Issues ranging from simple issues regarding what the attorney general's office

had done, and what his record was, crime issues, economic issues. Just the range, I honestly don't recall all of them. The basic range of what we thought would come up in the debate . . .

SENEY: . . . Prop 13 . . .

FRANCHETTI: . . . And also, Prop 13, I'm sure, was one of the things. And also we would have some focus. I mean people would say, "What do you think he should try to achieve in the debate?" And then we'd get together. . . . Once in San Francisco we got together at a condominium that Younger owned, and spent the day. Just a bunch of people sitting down with him and going over these issues, talking to him, having him kind of rehearse what he was going to say, in somewhat of a question and answer format. I don't think we did things the way that I read they do with a presidential campaign where they have a person play the other person. I don't remember doing that. But basically just asking questions and sort of getting him oriented. With Younger, he was kind of "damned if he did and damned if he didn't," because--I think he had two or three of these debates--in one debate Brown really pushed him around and it looked very negative.

So then the thought was we'll get him to come on very strong. He came on very strong in the next debate and he got criticized for coming on too strong. So he had a hard time with those.

SENEY: Did you do polling in the aftermath of these debates?

FRANCHETTI: Yes. There was extensive polling. He had a full-time campaign staff. I was not a member of that. But I would be involved in meetings with them. Oh, sure they did polling. I'm not sure who their polling people were, but they had somebody who was pretty well tied in. I was in constant touch with the campaign people.

SENEY: This was actually the first time that he used a professional campaign firm.

FRANCHETTI: I guess so. I guess when he ran for attorney general the second time--I didn't really know him the first time--he had some professional people that he'd hired but, as I recall, it was a much more informal group.

SENEY: There was one person who has been cited as one of his confidants, Charles Backeley.

FRANCHETTI: . . . Oh, yes, sure, that's right. Chuck Backeley.

SENEY: . . . Yes. And then, of course, his wife was, as you'd mentioned last time, always at his side politically.

FRANCHETTI: . . . That's right . . .

SENEY: . . . Could you tell me a little about Backeley and the role he played?

FRANCHETTI: Well, I think Backeley was a very close adviser to Younger. In fact, he's still around. I see Chuck Backeley every now and then. He's still active in Republican politics in the Los Angeles area. I suspect that there was an inner circle of close advisers that Younger would talk to, apart from the group I was in, which might have been second circle. I know Chuck was one of those people, and they would discuss issues. He would be at all these things. If we had briefing, he would be there, sort of one of the key players in it. But he was an attorney and very active in, I suspect--oh, I know--in Los Angeles Republican politics and still is actually.

SENEY: He used Kenneth Rietz, I guess . . .

FRANCHETTI: . . . Ken Rietz, yes . . .

SENEY: . . . As his campaign consultant.

FRANCHETTI: Rietz was, really interestingly, much more closely associated with [Mike] Curb who was running for lieutenant governor at that time. And Younger made the decision--and I think it was wrong--to almost combine the campaigns, as I recall, so the Rietz group ran the Curb campaign as well as the Younger campaign. People like myself who were Younger people who didn't care for Curb or didn't care about him--although Younger, I gather, thought highly of him--basically felt that was a mistake. We kept feeling a lot of things were going on to help Curb and not enough to help Younger. Whether that's true or not, I don't know, but that was our feeling; that was my feeling certainly at the time. And let's see, Reitz ran the Curb campaign, and then I think Reitz left the state. I think he runs campaigns somewhere else in the country now. I've lost track of him, but he was the key campaign person.

SENEY: One of the things that's happened in California politics and other places too is the use of campaign consultants. Any feelings or views about how that's impacted campaigns

or what the large issues might be in terms of running campaigns that way?

FRANCHETTI: Well, campaigns of all kinds have become almost cookie cutter in a sense, if you look at all of them. You're right. There are some people; David Townsend, we mentioned him last time we chatted, is a very well-known Democratic campaign person.

SENEY: Both sides use them.

FRANCHETTI: Yes, that's right. Everybody uses them. I don't think anybody runs a campaign without first hiring these people.

SENEY: Even in judicial elections now.

FRANCHETTI: You're right. And I guess I kind of came into the scene when that was beginning to happen. You are right. I do recall when Younger ran for attorney general the second time, it was much more informal. He hired somebody, but it was a pretty informal kind of thing. We would meet periodically and plan strategies, and then they'd have a couple of people who'd travel with him, but I don't think he had nearly the campaign organization that occurred afterwards. But then again running for attorney general at that time was not as hard as it is now, I suspect. But, sure, there is

a whole industry of people. They all pretty much do the same thing, and they all know each other. They all have kind of a pattern. I think probably part of the negativism in campaigns that everybody complains about is because of that. Because they all know what helps win a campaign and apparently what helps win a campaign is to find something negative on the other side as opposed to talking about issues and so on. And I think that's partly a result of the fact that in California anyway, you've got such a media problem. You have got to get this little message across, whatever it is, very quickly to a lot of people, and it's very expensive. The more negative things are the more they get . . .

SENEY: . . . Through a lot of noise . . .

FRANCHETTI: . . . That's right, that's right.

SENEY: Can you give me a sense of what the '74 campaign was like without a campaign consultant? And what it was like in '78, when you had a campaign consultant?

FRANCHETTI: Sure. The '74 campaign for Younger was kind of a cinch. I forget who ran against him but it was somebody who we don't even remember any

FRANCHETTI: more.¹ I mean it was someone whose name doesn't come to mind. So he was pretty much a dead-bang winner on that campaign. I don't think he spent very much money on it. I bet he spent, I don't know, probably \$500,000 to \$600,000, which is not a small amount, but it is nothing; even if you adjust it for inflation, it's not a big amount. As I recall, I think he had a press person, an advance person, and he used people like Backeley and myself--I sat in on a lot of things--and others who were just associates of his, to just sort of help guide his campaign. The issues were pretty clear cut. There were law enforcement issues and so on. The other guy was very liberal and it is real difficult for a real liberal to become attorney general, at least if one is perceived as being liberal. Younger was the incumbent and the incumbent attorney general is very hard to defeat.

So I think Younger traveled a lot and campaigned a lot, but he always did that. I think he would have four or five meetings a day with the public. It was incredible. He

¹William Norris was the Democratic party nominee for attorney general in 1974.

would have breakfast, lunch--you know--dinner, something after, something before. He was that kind of a person. That's what he did very, very well.

SENEY: And yet he said in the interview he did that he really didn't like campaigning.

FRANCHETTI: That's very possible, but he sure did a lot of it. And even when he wasn't campaigning, his day was not staying in the office. He would stay in the office but he was always out talking to groups. He really scheduled himself or someone did; I assume it was him who had the ultimate say over it. So he had a little more informal thing.

With the campaign structure, of course, you are running for governor which is different; it's just a different level. You are in the major league as opposed to the Triple A league, in a way. But I think it was more formal, a lot more money spent. Probably the non-campaign people who were involved were less involved and used more in making the policies, whereas in the informal one you were kind of in there talking about what you were going to do. Here you were basically being called in and asked to do something. Would

you do this? You were never really part of the big picture because the big picture was held by the people that were running it, which is the way it probably ought to be.

SENEY: There was one aspect of the '78 campaign, it got fairly negative actually. Both Younger and Brown agreed on a fair campaign agreement to stop mud slinging. Do you recall that agreement?

FRANCHETTI: No, I don't, but I'm not . . .

SENEY: Well, let me say a little more . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . Maybe it'll refresh your memory. Walter Karabian was appointed to a committee, along with Donald Wright, Peter Pitchess, Paul Ziphren to see if they wouldn't stop slinging mud. But you don't . . .

FRANCHETTI: It doesn't jog my memory because I don't think anything was stopped by that . . .

SENEY: . . . Well, apparently it wasn't . . .

FRANCHETTI: . . . Yes, well, it was just probably a ploy. Everybody wants to play dirty but wants to be perceived as not having done so.

SENEY: Sure. If I could go back to 1976 to the presidential election, Younger was a supporter

of Ford's at the convention; did you do anything in the convention?

FRANCHETTI: No. I didn't do anything at the convention but I'll give you a little interesting story about that. Let's see, or was that the second one. That's when [Governor Ronald] Reagan took a run at Ford in '76 . . .

SENEY: . . . Yes, he did. A pretty good run . . .

FRANCHETTI: . . . Yes, and this occurred the second time. This occurred with Deukmejian in '78. When did the guy from Texas run, [Governor John] Connelly . . .

SENEY: . . . Connelly was . . .

FRANCHETTI: . . . He must have been . . .

SENEY: . . . He was '76 . . .

FRANCHETTI: . . . Was it '76? Was that Connelly? So he was the guy . . .

SENEY: . . . And then he tried again . . .

FRANCHETTI: . . . In '80. OK. There are two little stories on that.

SENEY: Tell them both.

FRANCHETTI: Younger took a lot of heat from the Reagan people for not supporting Reagan, he truly did. And there was a lot of debate among anybody he would want to talk to about whether he should go with Reagan, who was the

FRANCHETTI: California guy, who were his people. The Reagan people really pushed that--he [Reagan] came very close, as I recall, to winning--or whether he should stay with the incumbent. And, of course, he did. He stayed with Ford, and I think it probably hurt him over the long run. I think there were a number of Reagan people that held a grudge against him. His feeling was, well, this guy's the president and I should go with him.

The next time when Deukmejian was governor, there was some discussion of going with Connelly. As a matter of fact, I think Bill Roberts who was very instrumental in the Deukmejian campaigns, through the first governor campaign, was a Connelly person and was trying to talk George into supporting Connelly. We had exactly the flip side argument, saying, "No, no. You have to go with Reagan." Of course, he did.

It was kind of interesting to see these people would come in and sort of toy with things. My view was always that you should always go with the California people because that was your base, that was where you were coming from. But there was a lot of

discussion over time, and eventually George went with Reagan which is where I think he was probably going to go anyway. But there was a lot of conversation about, "Well, should we go with Connelly?" and I think Connelly may have talked to him or whatever. It was kind of a big push to get him to pull out.

SENEY: Curb supported Reagan in '76.

FRANCHETTI: Curb was a Reagan protege. I don't know if he was a personal Reagan protege, but the way it worked out was the Reagan people had established one of the true de facto dynasties in California for a long time. I mean in the sense of keeping the whole team of people intact for the Reagan presidency. They planned this very, very well. Reagan left office as governor in '75, January 1 or whenever it was. They kept all these people around and they gave them jobs in different places. Ed [Edwin] Meese [III], for example, was down in Northrup or some place in San Diego. They put all their people all around, kept some in government. Most of them went off; they couldn't keep many in government because the Democrats were in. They all went off and had different jobs, but they kept the

group together and then geared up for the presidential campaign. But part of this was that they began to chose the successor to Reagan. For some reason they settled on Mike Curb, and so that the next go-around they had Curb as the lieutenant governor, and he was the fair-haired boy. I don't think they expected Younger to win. They got Younger to consolidate their campaigns, and Curb eventually won as lieutenant governor. On the day he was installed in office, he was viewed by the vast majority of the Republican establishment as the guy who was going to run next time for governor. There was no question about that.

SENEY: There are names mentioned in terms of Mr. Reagan's rise in California politics. Henry Salvatore, Holmes Tuttle, Justin Dart, William French Smith, I think there may be one or two others. Do you remember the other names?

FRANCHETTI: No, no. I'm sure if you mentioned them, I'd recognize them. And those people were very involved with Curb too.

SENEY: That's what I was going . . .

FRANCHETTI: . . . Yes, they were to the extent that they were still involved in things. Younger's term

as attorney general ended, and George Deukmejian became attorney general. The scenario that the Republican establishment had in mind was that George would be attorney general for several years and Curb would be lieutenant governor for four years and become governor. That was the plan. And George ended up fighting that, fighting the whole establishment when he decided to challenge Curb. He made a lot of enemies. He had a lot of people threatening that they were going to ruin him because he decided to run for governor. He really screwed up what they had planned. I don't think anybody thought that George could ever win. Besides they had a place for him, and that was where they wanted him to stay.

SENEY:

You know I've been anxious to ask you this question because I've asked a number of people this. It's been hard for me to understand why Mr. Deukmejian wanted to be governor. He never seemed to enjoy the job particularly. I don't know that he had a lot of plans for it. Can you give me some insight into this?

FRANCHETTI:

Well, yes, sure. I definitely can because I was with him. I talked to him a lot and,

FRANCHETTI: maybe at that point in time, I probably talked to him about it more than anybody other than maybe his family or whatever. Basically, he initially wanted to be attorney general, as I mentioned the other day because he believed he could achieve a lot of goals as attorney general. In the first year or so in the attorney generalship we tested the limits of what that office could do. In fact, a lot of my career I've always had law suits or laws changed after we'd done things, and we tested what independent authority the attorney general had. There was a case, I forget what the issue was over, a new union, labor relations law.¹ that was passed whether the attorney general had to represent the governor or the attorney general could go in and file his own law suit. Under the constitution we said, "We have authority to file our own law suit; let the governor go fly a kite." The Brown dominated court ruled against us. So that power was taken away from us.

It became increasingly clear to George that what he thought he could do, whether it

¹S.B. 839, 1977-78 Reg. Sess., Cal. Stat., ch. 1159 (1977).

was in law enforcement or was in public policy in various ways, as attorney general, he couldn't do. He began to become very frustrated with goals that he wanted to achieve; we just couldn't do them. We had a staff, we had people, but we didn't have the authority. That began to get him. It took about a year or a little more, but he began to get very restless and to realize that a lot of what the attorney general does is merely representing other people. Really it is. You have some authority in the environmental area, and you have some authority in antitrust. You have some authority in other areas, but again and again, we got beaten back because we would try to do things and the courts would say, "No, you can't do it." Or the legislature would change the laws.

SENEY: There were numerous incidents. And I have some notes here as long as we're talking about this. In terms of Mr. Deukmejian deciding not to represent the governor because of a policy difference between the two them . . .

FRANCHETTI: . . . That's right. That's right. Exactly, and attorney generals do that but the bottom

line is that it doesn't do you a lot of good, you know.

SENEY: One of them was the matter that you mentioned.

FRANCHETTI: Right. As I recall that was a major issue.

SENEY: Right.

FRANCHETTI: It was one that resulted in a ruling against our ability to file separately.

SENEY: In the end, didn't the governor begin to hire his own attorneys?

FRANCHETTI: Certainly, in many cases, the governor would. If the attorney general refuses to represent the governor, the governor has the ability to retain their own counsel but the sum total of all these various fights was this clear indication that the attorney general's office's powers were much more limited . . .

SENEY: . . . Than you had thought they were . . .

FRANCHETTI: . . . Than he had thought they were. And I think legally if we had had a different court, we would have won some of those. You know, we had the Rose Bird court and it's a policy issue. It's not even a legal issue, how do you interpret something and they ruled in favor of the governor [Jerry Brown]. When George became governor [himself], he was

probably happy about it. But at the time, you know, we weren't. [Laughter]

SENEY: He increased his future powers.

FRANCHETTI: In retrospect, we probably increased the governor's powers and reduced Van de Kamp's powers substantially. But we tested a lot of that in various ways because we wanted to do things. And George wanted to reflect his personal views in various things and he couldn't do it as attorney general nearly to the extent that he felt he could do it as governor.

The second thing, I think, that got George was his strong belief that Curb was not a competent person. George believed--he may not even say this but I believe that is what he believed--that Curb was the heir apparent and was a person who really had no experience in government. He was kind of a light weight, which is my assessment of him anyway, and was being forced upon the scene. Here was George, an experienced person in government, a loyal party guy for a long time; he had carried Reagan's water many times in tax issues and other things, was a real soldier in there. And now as attorney general had a much more

FRANCHETTI: responsible job than Curb had because the lieutenant governor has very little to do, and a strong personal belief that if Curb's the guy that's going to be governor, I should be governor because I can do a better job than he can. And that combined with his belief that he wasn't able to do what he wanted to do, I believe, led him to make that very difficult judgment.

It took him probably, I'm guessing, at least six months, to make his mind up. He talked to a lot of people. He discussed it and discussed it and discussed it. I would be involved in some of it. He talked to with anybody he had confidence in. And a lot of people threatened him. A lot of people said, "If you screw this up, and you run for governor, we won't give you a penny. We'll give you all the money you want to run for re-election for attorney general, but, you know, don't challenge Curb. We decided he's the guy that's going to go." It could have been that a little bit of that may have been in it too. George is a very proud person, and I think he may have just felt, "Well, you guys aren't going to tell me what I'm going to do."

But the other two reasons were the primary reasons.

SENEY: If I could just interject, my understanding of Republican fund raising is that it is pretty well centralized and that kind of threat might be fairly potent as a matter of fact.

FRANCHETTI: Except George had a secret weapon, and that was the Armenians. The first one million dollars in his campaign came exclusively from the Armenian community in California. And so he could get off the ground where I couldn't or you couldn't. But the Armenians were so proud of him, and are still are I'm sure. It was such a major thing that they have this person who was of their ancestry and of their cultural background. He's very Armenian. I mean George's roots are very tied to the old world of Armenia and all the people who came over after the massacres. They were the people that gave him the money to start. I'm saying the first one million dollars, maybe even more than that. The first bunch of money that he needed to run came out of there and nobody was going to touch that. That was money that was given to him as a person. And

they were very proud of him and very supportive of him the whole time.

SENEY: He has done a great deal to publicize the Armenians' . . .

FRANCHETTI: . . . Yes. Right . . .

SENEY: . . . Genocide . . .

FRANCHETTI: . . . He feels very strongly about it. He had relatives that were killed by the Turks. You know, it was a very strong group of people and he could go to them. I know that for a fact, that the first big chunk of money came out of the Armenian community. They went out and raised it.

SENEY: So that established his credibility as a candidate.

FRANCHETTI: And that allowed him to start a campaign. In order to get going, you have to have a certain amount of seed money so to speak. And I believe it was a million or more and that came out of that kind of fund raising. Then people like Karl Samuelian who you've heard of and--I just saw this guy the other day; his name will come to me in a minute--there were three really big fund raisers. Two of them in the beginning were Armenians. And another fellow whose name escapes me also. They were people

who really went out and got that money going. I think the Republican establishment thought that they could keep George out by not allowing him to raise money because you had several big fund raisers and they wouldn't even talk to him. [Donald] Murdock, for example, was very much against George. He was a major fund raiser, and probably still is. But that's where he got started.

SENEY: But without the Armenian community this would have been a potent threat.

FRANCHETTI: Oh, sure. Absolutely. The alternative is, "We'll raise all the money in the world for you to stay as attorney general, but we won't raise any money for you if you go for governor." Sure, that was what they were trying to do.

SENEY: My understanding, too, is that personality often plays an important role here, more important than we often realize, and that Mr. Deukmejian just didn't like Mr. Curb.

FRANCHETTI: That was what I was trying to say when I said he thought he was a light-weight. I don't know if he personally disliked him as an individual but . . .

SENEY: . . . My understanding was there was a kind of antipathy.

FRANCHETTI: It's possible. They never were together that much around me. But it was just a decision that he wasn't qualified, and George was much more qualified. A strong feeling that just grew. Curb did a very poor job as lieutenant governor, and he never impressed me. Younger and Deukmejian never got along. We go back to their being opponents, you know, at various times. And Curb was involved with Younger. I really think that there was a history that led to it. In the beginning that wasn't George's idea at all. Had he been able to do more as attorney general, he might have just stayed as attorney general for several terms, retired, and that would have been it.

SENEY: One thing Curb would do, at least, at the beginning of his term is when Governor [Jerry] Brown would leave the state, he would undertake various actions. One included appointing Arman Arabian to the [California] appeals court. Was that OK?

FRANCHETTI: . . . No, no . . .

SENEY: . . . Because Deukmejian later put Arabian . . .
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FRANCHETTI: . . . No, no . . .

SENEY: . . . On the [California] appeals court . . .

FRANCHETTI: . . . He knew Arman Arabian. No, it wasn't. It was another example of how to do it wrong. Curb wanted to show that technically he was governor when Brown was out of state. Brown was running for president, as I recall, and was gone all the time. So the Curb people said, "We're really going to get him." They told us. I'd talk to some of these people and they said, "We're really going to get Brown. We're going to do a bunch of stuff when he's gone." Well, they could have appointed a number of judges, and there was a big backlog of not having judges appointed. Had they appointed trial court judges, the appointments would have been valid. There was no requirement that there be any vote on trial judges, you just appoint them. They could have appointed fifteen or twenty of them, and it would have been kind of interesting. They would have been legally appointed judges and so on. Instead they chose to appoint an appellate judge that required that the judicial appointments commission meet on it.

The appointment wasn't final, so Brown could come right back and undo it.

As I recall, they did it some way that Brown heard about it, and he was coming back and Curb was driving back from San Francisco. This was before the cellular phone system, and he was on a regular two-way radio and everybody was hearing him talking and he looked very, very bad on that. Everything he did in that area looked bad . . .

SENEY: . . . Actually he made Brown look good.

FRANCHETTI: That's right. Instead of achieving what he wanted to, "Hey, I'm going to fill some judgeships," whether that was even a good idea, I don't know, but, at least, he could have done something and said, "I've appointed ten very good judges while you were gone." He ended up with a thing that failed, that didn't work, and it looked silly, really.

SENEY: I wanted to ask you a couple of other things. One was the campaign against Rose Bird in '78. Did you play any part in this?

FRANCHETTI: Well, yes, I played a part in it. Bird went out in '82.

SENEY: '86.

FRANCHETTI: '86. Second election. Right. OK.

Basically, all the people involved in law enforcement had a campaign that went on for years to try to get Rose Bird out. It ultimately worked. It was amazing how it came about. But she became the embodiment of everything that people in law enforcement thought was wrong with society. She was against the death penalty which in the minds of many of these people is the big symbol of whether you are pro law enforcement or not. The court that Brown appointed and she headed up became extremely liberal. So you had the law enforcement community very much against her, and you had the agricultural people very much against her because of what they perceived as her bias toward farm workers and so on.

SENEY: When she had been [California Department of] agriculture and services secretary . . .

FRANCHETTI: . . . That's right, and she probably lent herself to that because she, I think, on many occasions gave an impression of being somebody that was aloof from people. She was viewed by many people in the legal community who heard about her condition with staff as being almost

on the verge of having almost a mental illness. She was very suspicious of everybody, and so on. Those were things that were going around.

[End Tape 3, Side A]

[Begin Tape 3, Side B]

FRANCHETTI: I think, essentially, that she was a target as was the rest of that court. I wasn't really involved in any of the campaigns against her, but certainly that was a result of an effort that went on for what six, seven years. And finally got them in '86 when they came up.¹ This gave George an enormous opportunity, which few governors would ever have, to replace--what?--four or five members of that court . . .

SENEY: . . . Six . . .

FRANCHETTI: . . . Six. Yes, that's an enormous amount.

SENEY: . . . Only [Associate Justice Stanley] Mosk.

FRANCHETTI: . . . Only Stanley Mosk. [Associate Justice Allen E.] Broussard resigned; he retired. He ducked it too. So, five out of the seven were replaced all in one fell swoop. Which was one of his [Deukmejian's] strongest

¹Chief Justice Rose Bird and Associate Justices Cruz Reynoso and Joseph Grodin were recalled.

legacies, that he so dominated that court. That will be his court past the end of the century, certainly. But at any rate, that was a campaign that went on for many years and, I think, as Jerry Brown's credibility dropped and the Reagan thing hit the country at that time, it was just a much more conservative point of view. These people got blamed for a lot of flaws, and they all got kicked out.

SENEY: One of the things that figured in the demise of Rose Bird and [Associate Justice] Cruz Reynoso and [Associate Justice] Joseph Grodin was not just the law enforcement issue but the reapportionment issues too and the rulings on reapportionment. Are you familiar with that aspect?

FRANCHETTI: Well. Not a lot . . .

SENEY: . . . Let me state that others . . .

FRANCHETTI: . . . Yes, say a little more about it . . .

SENEY: . . . Others told me particularly Mr. [U.S. Congressman Eugene] Mr. Chappie and Mr. [T. Anthony] Quinn that it was the reapportionment business that angered the Republican party and the Republican establishment, and gave the organizational base for the anti-Bird campaign. Of course, the issue presented to

the public wasn't reapportionment because . .

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FRANCHETTI: . . . No, that's right . . .

SENEY: . . . They couldn't have cared less about it.
It was the death penalty.

FRANCHETTI: That's right. There was always this belief that if the Republicans ever got a fair reapportionment, they could take control of the assembly and the senate. That's been gospel for many years. You're correct. The Bird court did rule on reapportionment, as I recall, in a way that hurt the Republicans.

But keep in mind and even though they may say that, the Republicans always hurt themselves on reapportionment. Let me give you an example. In '82 the legislature was meeting all through the fall into the winter. I was doing the transition as director of finance, working with the Department of Finance to develop the budgets and deal with what was then our big budget crisis. The legislature was meeting over here across in the capitol and they put through a reapportionment bill. The bill needed Republican votes. Had the Republicans waited until January, they would have had a

FRANCHETTI: Republican governor who would have given them a lot of clout. But what occurred was, the Democrats went to certain key Republicans and gave them seats, and they in return voted for it. So, I've never felt sorry for the Republicans and their reapportionment because it's always been a few people looking out for themselves, and then they complain afterwards about the others.

However, reapportionment when the supreme court looks at it is not a judicial thing, it's a political thing. Whoever controls the court is going to have a reapportionment that's going to help them. Like now the reapportionment is believed, at least, or was believed before the election as being beneficial to the Republicans, and it may ultimately be. It certainly may break some things up. But that was done by a Republican court. You're right. You put a court into a political thing and they've got to draw lines. One side is going to draw it favoring their side, and one side is going to draw it favoring their side.

SENEY: Well, this court did in '92, what the Donald Wright court did in '72, that is, appoint a master . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . In fact, they appointed . . .

FRANCHETTI: . . . It was the same person. There was a lot of grousing about that when it happened. They got a different kind of reapportionment. It looks like it's reasonable.

SENEY: Well, I think that in '72 and '92, both sides said, "Well, we could have done better for ourselves if we could have done it, but this is OK."

FRANCHETTI: That's right.

SENEY: There wasn't that much griping.

FRANCHETTI: That's right.

SENEY: I want to ask you, too, about [Associate] Justice [Marshall F.] McComb who was removed . . .

FRANCHETTI: . . . I remember Justice McComb . . .

SENEY: . . . Did the AG's office play any role in that?

FRANCHETTI: Not while I was there. At least, not that I recall. But McComb had been there a long time. I even argued before McComb when I was

a deputy arguing cases. That goes back to '71 or '72. Do you know when he was removed?

SENEY: He was removed in 1977.

FRANCHETTI: OK. OK. I suspect the AG's office played a very little role. That would still be under Younger's time and I remember when he was removed . . .

SENEY: . . . Right . . .

FRANCHETTI: . . . He was just physically not able to do the job. He would sit up there and would literally be asleep. He just refused to resign which is a shame, but I don't think there was any politics in that. I think it purely was a case where an individual should have retired many years before.

SENEY: It was finally his wife who was decisive.

FRANCHETTI: Is that right?

SENEY: Well, a conservator was appointed, and then on his wife's motion, the conservator resigned him.

FRANCHETTI: It was kind of a shame because I think he was a very good jurist and had been there a long time and had done some good things. He just didn't know when to leave.

SENEY: I'd like you to comment on some of the political personalities . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . Of the '70s. We talked about Jerry Brown a bit. But I'd like you to give me your view on him.

FRANCHETTI: My view of Jerry Brown is that--and we mentioned this the other day, people don't realize any more--when he came on the scene, he was viewed as a bright reformer, a guy with new ideas and was doing the right kind of thing. As you know, he got involved in reforming the lobbying business. During his first couple of years as governor he did good budget stuff. He would reform government. Remember, he quit giving away briefcases to employees. He did all sorts of things. He drove in a little car . . .

SENEY: . . . He lived modestly.

FRANCHETTI: He lived modestly. He really came across as a person who had new ideas. And I think he was fairly well-liked. I think he came across very well. He came across as a very astute political person. He worked well with the legislature. In fact, I think had a good basic working relationship with them and was a person who was going to change things in terms of bringing women and minorities into

government. He went out of his way to do that. He came across as a very liberal person. And if you were against liberals, you didn't like it. But he still came across as dynamic and aggressive. This was a real change from the last part of the Reagan years which had a particular bent to them.

I think there were a couple of problems that led to, in my mind, a sort of decline until the very end when he ran for senate; he was still in the governor's office and he was disliked, very poorly thought of, and pretty much blamed for almost everything that had gone wrong. When George had won the governorship and I went over to meet with Jerry Brown, and I think his chief of staff was the fellow that died . . .

SENEY: . . . B.T. Collins . . .

FRANCHETTI: . . . It was B.T. Collins. And I went into the office to see Brown and say, "Well, we needed some time to set up and so on." He was just beat. He was just sitting there. And he was hardly talking. He was exhausted. It was like he was out of it. You know, well, OK, whatever you guys want to do, that kind of thing. It was such a difference from when I'd

first seen him a little more at a distance but still this bright young guy that was going to do all the good things, that if you were a liberal, you were going to do in society. I think two or three things may have hurt him badly. One, is his ambition to go off and run for president all the time. I think it hurt him. I don't think when you're sitting as governor you ought to continue on and go off to run a presidential campaign; I think that takes away from you. The people rightly say, "Why aren't you here doing your job?"

SENEY: Well, he ran in '76.

FRANCHETTI: In '76 and that was his biggest shot. So that hurt him. I think, secondly, his management style came back to cause a lot of embarrassment for him. Jerry Brown's management style was that there was no management style. Anybody could come and talk to him. If you came in with something, he might say, "Go ahead and do it." Another guy would come in and he'd say, "Go ahead and do it differently." And so I think that lead to lot of confusion. There was no particular purpose to where he was going. I think his choosing minority appointees, women

FRANCHETTI: appointees, was done without a lot of thought to the quality of the people. You can put an Hispanic person in who's very good or you can put an Hispanic person in that isn't very good. And I don't think he distinguished between that. In some cases he had people that clearly were not capable of doing their jobs well and it got him in trouble; they did stupid things, didn't do things right. Whereas, if he'd just taken a little time and picked the right people, he could have had exactly the same diversity, which is a good idea, and he could have had quality people.

And then I think his life style began to kind of grate on people. It was fine to come in and be kind of the clean cut guy with the old car and so on for a while, but at some point, I think just the way he lived began to sort of grate on people's minds. This isn't really what people wanted. Those are just some of my thoughts on it. So he ended up really very poorly thought of. It's really amazing, given how well he started out because he came on like gang-busters. In the beginning, he looked really good.

SENEY: Do you think that. . . . He was fairly successful actually in '76, running for the president. Did that help him a little, do you think, as governor or do you think that hurt him? In '80 he didn't do well . . .

FRANCHETTI: . . . No . . .

SENEY: . . . There was no question about that.

FRANCHETTI: I think that being gone all that time in '76 so soon after he'd won the election hurt him. It hurt him in a way that stayed with him the whole time. I think people began to believe he was not really interested in doing what he was supposed to do here. And maybe he wasn't. It could very well be that after he became governor he was kind of bored with it.

SENEY: Well, there was a Field poll that was done in '77 and I think almost 70 percent said that Brown was just as much a politician as anyone else and that he was really more interested in running for president in 1980 than anything else, so . . .

FRANCHETTI: . . . Yes, and that began to hurt him. And he began to do things that later were a problem for Deukmejian; he let the legislature kind of run everything. He truly did that. If you'd get a bill through the legislature, he'd sign

it, pretty much with few exceptions.

Budget-wise, he sort of turned a lot of things over to the Democrats in the legislature and gave up a certain amount of leadership there. Whether this was all perceived by the public, I don't know. But those were all things that I would view if I were analyzing him.

Problems that when George became governor, we were aware of. We wanted to try not to do them that way.

SENEY: As long as you mentioned this, let me bring up something to you that you mentioned last time, that is the surprise that Governor Deukmejian didn't get along better with the legislature. I've been given to understand that the very reason he didn't was he tried to take back some of . . .

FRANCHETTI: . . . You've got it. That's exactly right . . .

SENEY: . . . The power . . .

FRANCHETTI: . . . That's exactly it. I was going to mention that at some point when we got to it, but that's exactly what happened. You had all these years of the legislative leadership assuming that whatever they wanted done was pretty much signed off on by the governor.

FRANCHETTI: All of a sudden we came in and said, "No. It's our budget. This is what we're going to do." And we made it stick, but it was at a great price. Some of the senators, would say, "Well, we share power." And George would say, "No. You're the legislature and I'm the governor." And he used to say it a lot to me and people who were close to him. He'd say, "I'm the governor. We're going to do it this way. They can approve it or not approve it. But we're not going to sit down with them and have them tell us what to do." And that led to a big fight. Eventually, the legislature got used to that, toward the end of his career or term. When [Governor Pete] Wilson came on, you'd hear floor speeches where people would say--Wilson has almost got a little bit of [Jerry] Brown in him. He would tell the legislature, "You come up with a plan and I'll look at it." People on the floor say, "I wish we had Governor Deukmejian here. If we didn't agree with him, he'd come in and say, 'This is what I want to do.' and we could work on it and decided if we wanted to do it or not." So eventually the legislature got used to that, but there was terrible hostility we saw at the

time. We understood why that was happening. Although we were sorry that it happened; we were surprised, but we understood why it was happening. It was because we were telling them, "No. We are taking back this authority that had been given to you by default."

SENEY: I suppose what you are saying is that Jerry Brown just didn't pay enough attention . . .

FRANCHETTI: . . . Toward the end he didn't . . .

SENEY: . . . To the institution, the power of his office . . .

FRANCHETTI: . . . That's right. In fact, he agreed to a lot of things that are really not very good ideas. He would agree to things like sharing appointments to boards with the legislature. That never occurred before. That was always an executive branch power. The legislature could confirm people or whatever but they wouldn't appoint people to boards. Now you have on the Coastal Commission and other bodies, appointees of the legislature. The legislature nominates people, the speaker has a nomination, and the president pro tem has a nomination . . .

SENEY: . . . That's very common now . . .

FRANCHETTI: . . . And it wasn't before. It was a clear separation of powers. The appointees were always by the governor and the advise and consent, so to speak, would come from the senate. But Brown would allow that sort of thing. Whether it's good or bad, I don't know, I think probably from a political science point of view it's bad. You don't have this clear responsibility. And the legislature is somewhat involved with it. And the governor is somewhat involved with it. But those are some of the kinds of things that he would do.

SENEY: Along these lines when we talked about the death penalty, Brown offered to give up the power to commute sentences if the legislature would make it life without the possibility of parole rather than the death penalty. So this goes along with . . .

FRANCHETTI: . . . That's right. That's right . . .

SENEY: . . . What you are saying, bargaining with the powers for a policy objective.

FRANCHETTI: That's right for a policy objective or just because it sounded like a good idea. Another good example, and this may not be totally Brown's fault, but a good example is the

powers given to the treasurer's office under [California State Treasurer] Jesse [M.] Unruh. Brown just didn't care. There were powers that the governor had had that dealt with the selling of bonds. It's not a big deal, but it was a big deal in a way . . .

SENEY: . . . Unruh made it a big deal.

FRANCHETTI: That's right. Unruh would just go in year after year. When I knew him, he used to laugh about it. He would say, "I'd just go in and get a bill through and Jerry would sign it." He didn't care one way or the other. Despite the fact that it was taking authority away from the governor, it was fine. He didn't really care. So I think there was a lack of real interest in the office.

Sometimes things are symbolic of how somebody thinks about a place and the governor's office. The physical office which is now over here in the Capitol, became increasing threadbare over the last several years of the Brown administration, to the point that when we walked in, there was carpet held together with duct tape on the floor. They were dirty. They were filthy. It was almost as if the person who was running it was

saying increasingly, "I don't care about this place." It was shabby. It hadn't been maintained well. I don't mean it just was dirty because people were leaving, it was that they didn't spend any money on it. They didn't try to do anything to make it a nice place to work. That may be somewhat a mental reflection of the governor. Even his own office, you know, was sort of shabby. It almost seemed as time went by the lack of interest in the office was reflected in the lack of just keeping it clean.

SENEY: You raise Jesse Unruh. He was one of the people I wanted to ask you to talk a little bit about because he did make, I think, a lot of people would say, a mountain out of a mole hill in terms of the treasurer's office.

FRANCHETTI: I knew Jesse Unruh well for one year when I was director of finance and I had a lot of dealings with him. I became very, very fond of him. He was quite an interesting person, and I enjoyed him a lot. I knew of him and knew him very casually before, but that one year I worked with him, I took a number of trips to New York with Unruh to meet with

underwriters, bond rating agencies and so on.
He was an interesting guy.

SENEY: Tell me about these trips. And tell me about him.

FRANCHETTI: Basically what occurred was that early 1983 the state had a cash flow problem. So we needed to get authority from the legislature to issue what we called revenue anticipation notes. After a big political battle and legislative fight, we eventually got that authority. To get the best possible rate for these notes, we did sort of a little road show where I and Unruh would go to New York and meet with people that bought bonds. These are like bonds, only shorter term notes.

SENEY: This is what Governor Deukmejian rolled over some of the debt into the next year as a devise . . .

FRANCHETTI: . . . No, this wasn't the devise but it was 1993 and that was the year that . . .

SENEY: . . . '83.

FRANCHETTI: '83. That's right. That was the year that that was done. But just to make our payments, to handle our bills in January, February, we needed to borrow money. There wasn't authority at that time to borrow money so we

FRANCHETTI: had to get a law passed that allowed us to borrow it. And then we went back and sold it. Then we did this several times including in the summer of '83. So Unruh would go back with me because these were his guys. He had cultivated all these bond people. Merrill Lynch and, I don't know, various companies that you could think of. They would be contributors to him. It was a kick because the first time we went back, we didn't really know each other, so I was being very careful, as I always was, about travel expenses. So I was going back coach class and his office called my office and said, "How's Franchetti going back? Is he going back first class?" And they said, "Oh, no. He's going back coach." So Unruh always went first class but this time he went coach. He was not a happy camper. I remember him sitting over there saying, "Goddammit, Mike, we're not going to do this again." [Laughter] So we got back to New York and the primary underwriter on most of these was Merrill Lynch, as I recall. Unruh expected to be treated as the king. You landed at the airport and you'd walk out and there'd be these kind of guys working for

FRANCHETTI: Merrill Lynch there to do these various things. There were big limos waiting for you. You'd get in the limos, and then you'd go off to a hotel. They'd have a big reception for you. And they'd have these dinners. It was great fun. It was a lot of fun. My wife came back with me on a couple of the trips, including this one particular trip. We got in the limo, and it was all stocked with liquor and so on. We had a drink, driving over there. When we got to the hotel, Jesse Unruh was grouching to these guys. He said, "Where was my liquor?" They'd put us in the wrong limo. They'd put us in his limo which was well stocked. And they'd put him in ours which was a little plainer. [Laughter]

He was a real character. He was very knowledgeable, obviously, about politics. He drank a lot. He could drink heavily; he drank vodka. That was his drink. He knew people all over the country; you could go almost anywhere with him and he knew people well, newspaper people, TV people, whatever it was. He would be just drunk as hell late at night and the next morning, he'd get up and he'd appear to be clear-headed and we'd go out and

give presentations. We had a very nice time and I respected him a lot. He was a real character in the sense of somebody above what you would normally see. A person of extreme tastes, I guess. Large appetites with women or drinking or food or whatever it was, but also a very sharp fellow. It was quite interesting.

SENEY: A very forceful personality.

FRANCHETTI: A very forceful personality.

SENEY: Can you give me an example of how?

FRANCHETTI: Well, probably. I think the times that I dealt with him perhaps is more of a continuity. I knew him for a fairly short period of time. He'd done a lot of other things before that which probably shows his personality much more. But the fact that he basically had these large underwriting firms, the biggest companies in the country, totally dancing to his tune was just based on his personality. The people that took his place since have never had that ability. And that was just him. It wasn't the authority. The authority is there still. [California State Treasurer] Kathleen Brown has it, but she certainly doesn't have the presence that Unruh

had. There was a magnetism about him. Some people are natural leaders. They may be short or fat or skinny or whatever, but when they walk into a room, people respond to them. And Unruh had that natural ability, a sort of a magnetism that I've noticed in some people. They'll walk into a room and everybody centers around them. Unruh had that.

SENEY: How would you assess his contribution to state government, including changes in the legislature?

FRANCHETTI: I guess he was primarily responsible for the full-time legislature. I'm not a big fan of that. I know half the time people spend across the street working is wasted time. I think we could get a lot more done with less time and I think we'd be better off with more citizen politicians than professional politicians. That's just what I've come to believe.

SENEY: Well, I think a lot of people have come to that conclusion, academic and nonacademic.

FRANCHETTI: You're right. And I don't believe any of the issues that we deal with, people deal with here are so complex that people have to spend nine or ten months on them. But I'd say

FRANCHETTI: probably his major contribution in terms of procedure was the full-time legislature and the great power of the speakership which will end now with [Assembly Speaker] Willie [L.] Brown [Jr.], where you literally have a speaker that runs it. There is no question about it. On any major issue Willie Brown wants to decide the outcome, it will be decided, at least in the assembly. So that's from a historical point of view, I personally believe that's his primary thing. He did a lot of other things. He was very liberal. He felt very strongly about minority rights, civil rights and so on, lots of different things. Those things he not only did but he believed in. Probably when I knew him, he wasn't doing that any more really. I mean it was a little different. And I think had he been governor he would have had a different image totally also. But, of course, he wasn't able to win that. People have their time in politics. They're well thought of or they're hated but they're powerful people and then they go away. I think his biggest contribution would be the full-time

legislature which led to the situation, to the world we have here now.

SENEY: What about [Speaker of the Assembly Robert] Bob Monagan?

FRANCHETTI: I knew him. He's still alive, I believe.

SENEY: He's still alive.

FRANCHETTI: I've seen him. I sort of view him as just a passing figure. He became speaker for two years when the Republicans briefly had control of the assembly. I really wasn't involved. I came in right when they lost it. Nice fellow and so on, but I don't think he left any great stamp on anything.

SENEY: What about [Speaker of the Assembly Robert] Bob Moretti, the man who followed him as speaker?

FRANCHETTI: Right. Let's see, he ran for governor and lost that. Then he dropped out of the scene and then he came back as a lobbyist. My impression of him was that he was a very tough, calculating person. I knew him and I liked him. I'm not sure again if he left any great impact on anything. I don't think you have any major impact on the legislature until Willie Brown becomes speaker. In comparison, it's all a comparison thing because he's had

such an enormous impact on what has occurred and how the state is operated all these years. He's been there, what, gosh, he came in in the mid '70s?

SENEY: As speaker?

FRANCHETTI: Yes.

SENEY: '80.

FRANCHETTI: '80. It was '80, OK, so he's been there twelve years and I think that in this part of the history of California, that's the dominant person in the legislature as far as I'm concerned.

SENEY: What about [State Senator] George Moscone?

FRANCHETTI: I knew George Moscone. I have a little interesting story about him. He was leader of the senate at that time before he ran for mayor. I dealt with him as a lobbyist. I was going to go see him. At that time, the Capitol, before they rebuilt the old building, on the second floor where the rotunda is, they used to have newspaper bureaus in there. There used to be teletypes in those days and so on. This would be. . . . It was the day that [Governor of Alabama] George Wallace was shot, so whatever that date was. '76 maybe

whenever it was, probably '76. Wasn't he running?

SENEY: '72 . . .

FRANCHETTI: . . . Was it '72 when Wallace was shot? OK. When he was shot. And I was walking to go see Moscone. He had an office in the old building which is no longer there because they changed the floors. I went by the news bureau and somebody came out and said, "God, Mike, Wallace has been assassinated." They didn't know quite what had happened. So I went up to see Moscone on whatever issue I was going to talk to him about and I said, "Gee, I just heard that George Wallace was killed." And Moscone said, "You know I'm getting really worried about that kind of stuff. You know," he said, "I just sometimes think I just ought to get out of this business." And six years later when he was assassinated I remembered those words very, very clearly. But Moscone was a very good leader. I think had he lived he probably would have had a shot at running for governor again. I think had he done the mayor thing--governor or U.S. senator--I'm sure he would have wanted to go on.

SENEY: Well, he did try to run in '74 for governor .
.

FRANCHETTI: . . . He did, but he really didn't get anywhere. But you know he was an interesting guy. He was a very cultural guy. He had a good Italian San Francisco kind of background, very sophisticated kind of person. He had some very good people around him. He had a fellow named [Bernard] Teitlebaum. Bernard Teitlebaum was a very good friend of mine who passed away. And others. I believe he was a future that had yet to really blossom.

[End Tape 3, Side B]

[Begin Tape 4, Side A]

SENEY: Go ahead, Mr. Franchetti. We're talking about some of the important personalities in the California legislature in the 1970s.

FRANCHETTI: Sure, sure.

SENEY: Anything else you can add to the list.

FRANCHETTI: Well, obviously, Reagan and the Reagan people were probably the dominant people in terms of that era.

SENEY: There's some that say he was just an actor who was made governor, the greatest role in his life. I think there are books titled to that

effect. What were your opinions of his ability, his intellect, the qualities of his leadership?

FRANCHETTI: I think Reagan was a perfect chief executive. And that's where he gets criticized because people don't understand how you really ought to run things. He delegated a lot to his people but Reagan made judgments. Reagan decided what he wanted to do. But, of course, he brought with him a star quality that you saw as president and it was true when he was governor. If Younger was sort of an example of L.A. culture and so on, Reagan was much more that example. He really had made it. His people came in and just did things. They bought Reagan a mansion out here and he lived in it. No one had any hassle over that. He was very hard to touch in a way, in the sense of hurting [him]. I don't recall any time when he really, in my memory, maybe there were, but in my memory when Reagan as governor was really in serious trouble of any kind.

The thing that impressed me most about the Reagan administration, I mentioned earlier, is they had a plan set up, in my mind, a long time before he became governor.

And the plan was for him to be president. They set that thing up, and they kept that whole operation intact through the years that he was governor and then through the years between and then when he became president. It was only when he became president that he began to break up that team with the Ed Meeses of the world and those people and brought other people in. But even then he kept people. [Casper] Weinberger. You know some of these people had been with him a long time and they'd come in and out. What impressed me about the whole thing was that it was very well organized. They had a definite goal, and they achieved everything that they ever wanted to achieve. I don't believe that happened with Reagan being the kind of a person you pulled the string on. I believe he was a person who could make a general decision and then let his subordinates carry it out and make the smaller decisions. And that's what you read about a good executive, that's what you want.

SENEY: They don't get involved in the details.

FRANCHETTI: That's right. Whereas you have other people like Jerry Brown who got involved in details

all the time and bogged down, [President Jimmy] Carter, even the current president's [President Bill Clinton] had a problem with that, trying to back off a little bit and not get involved in each of these things. It seems to me the times that the Reagan administration as president got in trouble was when they got into details. They go into those things like trying to get hostages out of Iran. Well, that's really a detail if you really think about it. And yet they get so much into it, and they probably shouldn't have. Maybe they should have stepped back.

SENEY: That may turn out to be his greatest blunder at that time.

FRANCHETTI: That's right. That's right.

SENEY: He violated maybe his own rule.

FRANCHETTI: That's right. Exactly. And so, anyway, my impression of the seventies is they would have to be the Reagan years. A lot of changes were made in California. Mental health changes. Tax changes. A lot of different things were done. And he was the dominant person.

SENEY: What about [Speaker of the Assembly] Leo [T.] McCarthy as speaker of the assembly?

FRANCHETTI: Well, I know Leo and have known him for a long time. I don't really have views of him as speaker. Was he speaker for a couple of years, wasn't he? Three or four years?

SENEY: He was speaker from '74 to '80.

FRANCHETTI: Yes, that's right. So he was there for six years. That's right. I really don't have a lot of comments on him. There isn't much that comes to mind.

SENEY: I have here a copy of the [California] department of justice bi-annual report for '79-'80. The first one you put out. What's the purpose of one of those reports?

FRANCHETTI: [Laughter] It was required by law. The law requires that the attorney general's office every couple of years put out a report. That's the purpose of it. We were complying with the law. I haven't seen this for probably many years. And I'm looking through it here. It's just . . .

SENEY: . . . I wish you would comment on it. Let me say this as you look through it. It's very different than the reports Mr. Younger put out. You established at the top, goals for each of your departments, divisions rather, and then you would comment on the goals and

your crime clock. It varies a great deal . . .

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FRANCHETTI: . . . Well, yes. And a lot of this was because of the very first thing you see in here in terms of what the Deukmejian era represented, and that is crime prevention. Crime prevention became a major project that we started right away in '79, feeling it was an area that gave us high visibility for the attorney general. It was also right down his alley, in terms of being a crime issue. So we brought in a fellow named George Nicholson who is now on the court of appeals and we put him--his name isn't on here--in charge of the crime prevention unit. He was one of these fellows that was willing to work day and night to achieve the goal. He really was a hard worker and so a lot of what you see in here, the advertising campaign . . .

SENEY: . . . It's a very interesting advertising campaign . . .

FRANCHETTI: . . . McGruff. Take a bite out of crime. That type of thing was all developed by George. And then we got the advertising council to become involved in it. And actually that's how I met my wife. We were

sitting in a meeting and I was saying, "You know, we're lawyers. We don't know anything about advertising. Do we have anybody in the AG's office who has a background in advertising?" So Bob Philobosian who was head of the criminal division said, "I just hired this widow from Sausalito who has extensive background in advertising. She is now a lawyer." And I said, "Why don't you get her up here? Have her come work with these guys, tell us how to do it." So that was my wife. We had met briefly before but basically she came up, and we got to know each other. A few years later we were married.

This was a major effort at both crime prevention and at trying to increase the profile of George Deukmejian. A lot of what we wanted to do was to make sure that people knew who he was.

SENEY: Does this get at some of the criticisms that you had about the Younger period when . . .

FRANCHETTI: . . . Exactly . . .

SENEY: . . . Not enough was done to . . .

FRANCHETTI: . . . Exactly. Exactly. A lot of what I wanted to do and sort of set the tone in many of the things that were done, was I wanted the

attorney general to get credit for what he was doing and not have some deputy attorney general or somebody else get it. And I wanted to utilize the resources of the office to always put George up front in the public eye as a doer, as a person who was doing things.

SENEY: Did he object to that?

FRANCHETTI: No. But I didn't necessarily always go in and say this is what we're doing. No, he didn't because it wasn't like you said, "Well, we're going to put you up front and do these things."

SENEY: But here's a way we can do this.

FRANCHETTI: But it was clear. It was real clear to us that this was understood that we want to serve the office but also to promote the person who was doing the job, who was the attorney general.

SENEY: Am I right in recollecting that there were even brief television spots that he did?

FRANCHETTI: There were spots. Oh, yes. This was a major campaign. This McGruff thing, the take a bite out of crime.

SENEY: Where did that come from?

FRANCHETTI: That was created by the National Advertising Council. They made all the stuff available.

At one point, we had--I don't know where they'd gotten it--they actually had a little TV studio in the attorney general's office where they would do this stuff. We had people traveling all over the state doing crime prevention things, working with local police, and it was a major program.

SENEY: How do you assess the effectiveness of it?

FRANCHETTI: I think crime prevention programs which alert people to simple things that they can do to not be victims of crime are very effective. And I think this was an effective program. It is still going on. I still see the ads now.

SENEY: How was it in terms of getting Mr. Deukmejian out and making sure he had a presence?

FRANCHETTI: It had some impact. It wasn't the only thing that was done. Nor by itself did it do it. But I think it made him more visible. We could have done the program without mentioning him which probably would have happened when Younger was there. Younger had a crime prevention unit. But it really didn't get a lot done. So we just built it up and used it as a good way of letting people know that we were there and, at the same time, educating people on things that they needed to do.

SENEY: In putting the attorney general out in front on these matters he gets the credit if it goes well, but the public will know who to hold responsible if it doesn't go well.

FRANCHETTI: That's right. That's right. And here again looking through this. We have forgotten victims. This was a big thing that Nicholson had. He had been head of the DA's association. We have a lot of orientation now toward victims of crime. Right now people talk about it. It's a big thing, and we have these various groups.

SENEY: . . . Victims can now go and appear before the court at sentencing time . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Do you think that this may have come out of these efforts?

FRANCHETTI: I think we may have written the law during this time. I think that may have been a bill that we either sponsored or eventually became part of an initiative¹ that was based on the bills that we sponsored. But the issue of the victims and their role was another thing that was done out of the crime prevention unit. It

¹Proposition 8, November 1980.

FRANCHETTI: was sort of a carryover from things that had been done by the district attorney's association when Nicholson was involved with them. This was another conscious raising attempt to get people to know something about the fact that there were victims in these crimes and not just criminals who were being sentenced and maybe given light sentences or whatever people saw. We created the special prosecutions unit. It was designed to take the best trial lawyers and investigators we had in the Department of Justice and to focus them on particularly serious crimes and prosecute them with this group of people. Prior to that there was no such unit. It might be something the attorney general would prosecute himself; it might be corruption or where we are looking at organized crime, as I recall. The thought was that we would exercise our independent jurisdiction and take our lawyers who were really into this thing and have them develop cases which we would prosecute ourselves, sometimes with the local DA and sometimes without. But never without their OK. You could do that in terms of the politics of it. I'm seeing what the first

fifteen month's effectiveness was. My recollection of it is that it really didn't do a hell of a lot.

SENEY: You didn't say that there.

FRANCHETTI: No, and that was always my view of it. There were various cases that were done.

SENEY: Attorney General Deukmejian did emphasize organized crime.

FRANCHETTI: Yes. We put a big emphasis on that because we felt organized crime prosecutions could be better handled by us than by the local district attorneys. And there was some history in the attorney general's office in prior years of having done that.

SENEY: Right.

FRANCHETTI: Younger, I think, downplayed it because perhaps of his background where he let the locals prosecute them more than he did. There were some prosecutions. This fellow, the Bonanno brothers. I recall their name. We prosecuted them.

SENEY: What was your impression of the extent of organized crime? The Bonannos were actually I think, if I'm not mistaken, prosecuted for improper use of credit cards.

FRANCHETTI: Yes. Let's see what it says here they were prosecuted for. Conspiracy. There was some sort of a fraud that was going on in northern California as I remember.

SENEY: In the San Jose area.

FRANCHETTI: Somewhat based upon this experience--we had an organized crime unit which was an intelligence unit--I'm not as convinced any more that a lot of these allegations about these big organized groups in California are true. I'm sure there are organized groups but probably what I most question is the intelligence aspect of it, the gathering of information. I found after a period of time that in many cases the intelligence is very questionable. An intelligence file might start like this: You get a newspaper story saying Mike Franchetti was seen at the Commerce Club Casino the other day, or maybe a report, I saw this guy Franchetti at this card club and in the same room was a gangster. Then a file gets started. Now I'm a known associate of a gangster. And then maybe there is a newspaper story. And then someone puts that in it. Then somebody asks you, "Do you have anything on Mike Franchetti?" And you say, "Yes, he is a

known criminal associate." And it builds up. And it goes in your file and pretty soon you've got files all over and they've all started on maybe one sighting or one observation. A lot of it if you trace it back, you come back to some very minimal information. So a lot of the intelligence stuff I view as overblown.

SENEY: That would have to do, I suppose, with the skill and experience of the local police in terms of organized crime.

FRANCHETTI: And it goes to the nature of intelligence gathering. People in the intelligence gathering business gather all these rumors and then if they're not very careful, the rumors take on more substance than they really should. We used to find that. We went through all our intelligence files during the time I was in the attorney general's office. In fact, I was involved in it personally before I was chief deputy as an assignment I had. A lot of stuff was just all newspaper clippings. I'd go through a file and they'd say, "Here's a file on Joe Schmultz." And it was all newspaper stories. "Where did you get this?" "Well, we cut this out of the paper."

FRANCHETTI: That, to me, is not really a very good basis for having a file on a person without some independent evidence. Who knows where that story came from?

But I think the special prosecutions unit did some good things. It was a way, as I think about it, of coordinating the investigators and the local lawyers as a team so that you could pick a particular problem and everybody would work together. You'd usually have an attorney who would be the head of a team and have an investigator and maybe another attorney. They would spend a lot of time and effort trying to dig out a particular problem or prosecute a particular problem. So I don't think it was a bad idea. I'm not sure we had all the targets that we thought we were going to have. It was a very elite group. Lawyers really wanted to be part of it. They had a lot of fun doing it. I think it was exciting to them. The fellow who ran it was a guy named Tim Reardon. Tim is a very good lawyer. He is now an appellate court justice in San Francisco and a very competent person. So it was a good group. But I can't really

remember that it really achieved everything I thought it would when we put it together.

SENEY: There was one appointment in the AG's office when Deukmejian took over, if I'm not mistaken, it was head of the criminal investigation division. That had been always someone from the L.A. police department. Am I thinking about the right division?

FRANCHETTI: . . . Well, it would be the division of law enforcement, is that what you're thinking of?
. . .

SENEY: . . . That's it. And traditionally that person had come out of the L.A.P.D. or had been a law enforcement professional and the department chose not to . . .

FRANCHETTI: . . . Oh . . .

SENEY: . . . Or chose to select someone . . .

FRANCHETTI: . . . Oh. No, No . . .

SENEY: . . . Someone. Am I thinking of the right unit . . .

FRANCHETTI: . . . Let me. . . . I think you're right. You're talking about Nelson Kemski; does that ring a bell to you?

SENEY: That's the one. Right.

FRANCHETTI: OK. That's a little different. The division of law enforcement is a miniature FBI [Federal

FRANCHETTI: Bureau of Investigation]. It has a crime lab system all around the state. It has an identification bureau with fingerprint identification which is a major function. It has a bureau of narcotics enforcement, a criminal bureau of investigation which is another law enforcement unit with police with guns. It has a computer center. It's truly a state FBI. During the Younger years the people who had run it were L.A. officers. Bob Houghton, who was a very well-known L.A. police deputy chief. If you recall the Sirhan Sirhan murder of [U.S. Attorney General Robert F.] Kennedy, Houghton was the guy that ran the investigations and even watching a show on it the other day, I saw him on TV looking much younger. But he was a very top quality guy and then we had a guy that took his place whose name escapes me. It's under Younger when Houghton decided to retire.

Then when George became attorney general, we were really just were looking for an interim person. And we took a fellow who was an attorney named Nelson Kemski, and Nelson ran the office for some period of time. There was a lot of resentment because he wasn't a

law enforcement person. It was never intended that he be there permanently. It was just that we wanted to move out the person that was there because part of my policy and George's policy was to get rid of all the Younger appointees and put our own people in because we felt that was very important to assert control. We had this other person leave and Kemski then wanted to keep the job. I was against it. I didn't think it was a good idea, but George had a tendency to when somebody was in a job to keep them there. He would just keep people for a very long time. Sometimes you'd be working to try get somebody out of the job. You didn't think they were doing a good job, but he [George] was very loyal to people. And eventually Kemski had some problems. There was an allegation that he used marijuana on a river raft trip. Whether it happened or not I don't know. And he was eventually replaced by a fellow named Tony Anthony who had been an undersheriff in L.A. County. And Tony ran the division for the rest of the three years we were there.

SENEY:

What I thought was interesting was that law enforcement, especially the L.A. law

enforcement establishment, would feel as though they had a claim on this.

FRANCHETTI: I'm not sure that was correct. The current attorney general or Van de Kamp appointed the guy who was the head of the CHP [California Highway Patrol] to that who is now the sheriff here.

SENEY: Is that Glenn Craig?

FRANCHETTI: And the current attorney general's appointed a person who was the chief of police of some little town up here. But there could have been that feeling because of the fact that for so many years, these L.A. based people had brought in L.A. based people. Of course, as we said, Younger, being part of law enforcement in L.A., had brought in . . .

SENEY: . . . Knew all these people. . .

FRANCHETTI: . . . Yes, he knew these people intimately. There was a lot of law enforcement criticism of Kemski while he was there because he wasn't a cop, you know. And it is a cop's job. I think Kemski did a reasonable job. It was just politics. I felt he couldn't stay in there because it was hurting us with our constituency. And we eventually got Anthony

who had just retired from the L.A. sheriff's office who . . .

SENEY: . . . So you were sensitive to that . . .

FRANCHETTI: . . . Oh, yes . . .

SENEY: . . . To your constituencies . . .

FRANCHETTI: . . . I wanted him out of there. Yes. And I like Nelson and I'd known him a long time, but to be there a couple of months while we were getting somebody to take his place was one thing, but he began to like it and he wanted to stay and fought to stay on.

SENEY: How would the displeasure of the law enforcement community manifest itself?

FRANCHETTI: Oh, complaints, complaints, if not directly to me, through other people who had liaison with them. Rod Blonien, whose name you see on here, had been the head of the police officers' association--he's not a policeman. He's a lawyer but he had been their executive director and he knew all the sheriffs and the chiefs, and he would come and say, "God, I'm getting a lot of problems." It was subtle, no one wrote a letter saying we want Kemski out, but the police have meetings all the time, conventions, and when Nelson would go to them, there would be a lot of criticism of him

afterwards. I don't remember anyone talking to me directly about it but people may have. I used Blonien and other people at the division of law enforcement who I knew because I knew most of these people pretty well because I'd worked with them over the years. Especially in the legislative job, you got to know almost everybody who was the head of something. People would just say that we were getting a lot of criticism; people aren't happy with George because of Nelson and so on. And I appreciated it. It was not his fault. It was just that that was perceived as a policeman's job and we had a lawyer in there.

SENEY: So then it was your task to kind of work on Deukmejian . . .

FRANCHETTI: . . . To get, to have Nelson eventually reassigned, yes . . .

SENEY: . . . And that wasn't easy, I take it.

FRANCHETTI: No, it wasn't easy. But it was eventually done.

SENEY: You know, I'm curious about what your calendar would look like as chief deputy, phone messages for the day, who you'd be talking to, and the kind of problems you'd handle. Could you give me a sense of what it was like?

FRANCHETTI: Yes. As compared to really working, it was a pretty easy job. [Laughter]

SENEY: Let me first of all ask you, did you like it?

FRANCHETTI: Oh, yes. It was a fun job. Because what you basically had was this attorney general's office and this little FBI, and you were the--other than the attorney general--guy that ran it. You didn't run it directly but people . . .

SENEY: . . . You're smiling broadly as you say this . . .

FRANCHETTI: Yes, yes. It was a lot of fun. I had a car with a radio in it that they gave me.

SENEY: Driver and . . .

FRANCHETTI: No, no. I never used a driver but had a police car. It was police stuff. I had a badge.

SENEY: Still have it?

FRANCHETTI: I have one of them here. Actually I just put it out the other day. Here's the chief deputy's badge. They give you a badge and you can carry that around. In fact, there were some people that still carry them. I never really carried it around. I didn't believe in it.

SENEY: Well, it's a very lovely badge.

FRANCHETTI: . . . Oh, yes. it's a . . .

SENEY: . . . Department of Justice . . .

FRANCHETTI: . . . That's right. It's a serious law enforcement badge. And so you had that and you had people working for you. You had a large staff. The state attorney general's office has offices all over the state, crime labs. I made a point of wanting to get around and meet all the different people. So I would travel, I did a lot of traveling the first year. I really went around and visited places like Eureka and Redding and Salinas, places where we had different labs, to see how they functioned. I wanted people to know we were there. The average week was probably spending a couple of days in Los Angeles, maybe a day in San Francisco, and maybe a couple of days here in Sacramento. So there was a good deal of travel involved.

SENEY: Was this going around to establish Deukmejian's presence, your presence in the law . . .

FRANCHETTI: . . . That's right. That's right. You know, you had four major lawyer offices which were the hubs and then you had the division of law enforcement, which at that time, is still

Sacramento, but it was out on 33rd and C Streets. So the fact of being present physically in an office was a big deal. Some of the prior people hadn't done that. So part of what I did in the beginning--I did it the whole time I was there--was to go and be physically there. It was a big thing. People, lawyers liked having the chief deputy show up and so they could come talk to you, and it showed that you cared about what they were doing. So it was just a management-leadership thing. And since, of course, George was based in Los Angeles a certain amount of time was spent there anyway. I had an office there as well as an office here and an office in San Francisco. I'd go between those various offices depending on what was going on.

SENEY: Let me ask you, had Mr. Younger been based in Los Angeles too?

FRANCHETTI: Yes, yes. He'd been based in Los Angeles.

SENEY: But not Van de Kamp.

FRANCHETTI: Van de Kamp was based in Los Angeles too. [Attorney General Dan] Lungren's based here, I think. But Younger, Deukmejian, and Van de Kamp were all Los Angeles based people. That

FRANCHETTI: doesn't mean that they weren't up here or in San Francisco but their home bases were in L.A. There was a large office there. You could kind of pick and choose. There was no requirement where your headquarters were. You had four offices to choose from. So really, Deukmejian just took over Younger's offices that had been there when he was attorney general. There was a lot of travel in it. There was a lot of meetings. You know, you'd sit around as opposed to doing legal work or some of the other work, a lot of meetings. Basically, we would have a daily report of major things that occurred in the attorney general's office, whether they were narcotics busts or somebody was shot or things of that nature, then a review of the status of major cases. I would have a daily briefing with a couple of people, my closer staff, that brought me up to speed if I wasn't on top of something. We would have a lot of paper work, a lot of requests to file law suits and so on which would have to go through me and then I would decide which ones would go to the attorney general, which ones I felt he didn't need to deal with because they weren't big

enough. We didn't approve everything, but the more important cases would be brought to me and then the most important ones, ones that appeared he should look at, you'd send to him.

SENEY: That was your decision?

FRANCHETTI: That's right. You're right. You had only so much time. You didn't have to look at all the stuff. Personnel matters would come through, and budget matters. The first couple of years we spent a lot of time coming up with programs like the crime prevention program. There are other programs in here. The special prosecutions unit, we created, trying to focus them as to what they were going to be doing. So on an average day I would usually get in pretty early, go through my paper work.

SENEY: Which would be?

FRANCHETTI: Seven o'clock, something like that. Read the paper and then maybe have a staff meeting at 8:30 or 9:00, and then have individual meetings with attorneys, some phone calls were returned and review opinions and different things of that nature. Sort of the administrative part of it that came through the chief deputy's job. But it was an enjoyable job. There was always something

happening. It was fun to get around and be involved in these things and so on. And maybe once every two weeks we'd have a staff meeting with the attorney general. But I would talk to him on a daily basis. Very seldom would a day go by that I wouldn't be on the phone with him to discuss various issues.

SENEY: Would he send you out in the evenings maybe to appear before groups?

FRANCHETTI: Very seldom. No, very seldom did I do that. Occasionally I would. Actually, I did very little of that. He would do it. Seldom would I go out. I did much more with Younger. Younger would have me go talk to groups, certain level of groups. But I did very little as chief deputy.

SENEY: How would you divide the political tasks of the office as opposed to the administrative reviewing of opinions . . .

[End Tape 4, Side A]

[Begin Tape 4, Side B]

SENEY: I don't know if this got on the other side or not, but what would you call political tasks of being deputy attorney general?

FRANCHETTI: First, I think your question was how would you divide those. The first year and a half or so

much of what we did was just really administrative organizational policy, pure attorney general stuff. Just to get control and make the office run the way we that wanted it to run. But when the decision became clear that we were thinking, George was thinking of running for governor, which was maybe a couple of years into the administration, then a lot more of the focus became the things that helped him posture himself or get himself in the right place to run for governor. A lot more politics were involved then than there was in the beginning. The beginning was purely trying to make the office run the way that we wanted it to run.

SENEY: About when did he decide?

FRANCHETTI: I'd say probably toward the middle of 1980, it became more and more of an issue and then, of course, '81 it became very much an issue. There was no one particular day you could point to, but I always wanted to have the option for him to do that, so I was always looking for these kinds of programs that would be high profile programs for the attorney general. And so there was always this element in it. As far as I was concerned, even

looking at an opinion or even looking at a case, in my mind I was always saying, "Now how does this work with what George wants." Which is what really the Younger people didn't do. So if somebody wanted to file a law suit that we had discretion on filing, because on some of them we had no discretion, I would evaluate it not just from the legal technicalities of it which I could understand, but also is this something that we as a matter of policy want to do. Very often what would occur is the lawyer who was preparing it had his or her own idea what the policy was. And then we'd say no and they would get all pushed out of shape and say, "We're the environmental unit," or, "We're the consumer unit," or whatever it was. And we'd say, "Well that's fine except you're not the attorney general and if we have the discretion, we're going to file the cases we want to or not going to file other cases."

SENEY: Well, if what they'd brought you was the complete case, they'd put a lot of work into it . . .

FRANCHETTI: . . . Yes, yes. That's right. And under Younger a lot of those cases would be filed just on the idea, much as Younger did with the

appointments to the judges, well, this is what the lawyers want to do, we'll let them do it. And he was hurt by that. There was a difference there. A lot of what I did was just overseeing. You could call that politics, but it was more shaping a philosophy of where he was going. So we tried very hard to have the office reflect what he wanted, what I knew his beliefs were, and to follow those beliefs.

SENEY: Well, I think there might be people who would criticize that . . .

FRANCHETTI: . . . Oh, sure. Absolutely . . .

SENEY: . . . You doing this. The public always ought to know what George Deukmejian was, who he is . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . What he's pushing. So they can evaluate him.

FRANCHETTI: And see, ultimately, someone had to make a policy judgment. The question was, who? The deputy attorney general, who is a civil service person? Are they going to make that judgment, they who had their own views, and if they wanted to implement them, they could run for attorney general, or was the attorney

general going to do it? And that was always one of my major things with everybody, that anything that we did was going to pass that litmus test. On some things we had no choice because we were representing somebody and that's a different kind of ball game. But anything we did as attorney general was going to--to the best of my ability--conform with what I believed George Deukmejian wanted to have done, in a lot of areas, legislation, law suits, and just a whole series of things.

SENEY: Do you remember the conversation when he told you this is it, we are going to go for governor?

FRANCHETTI: You know, I don't remember it specifically. I remember several lunches and dinners with him when we talked about it. And I recall being down at a hotel, right near the L.A. airport, when we had the first meeting, when he was definitely going, and I can't even give you the date of it, but I recall we met all day and we were definitely going. There may have even been one prior to that in Long Beach, at a hotel in Long Beach. That would have been some time in the fall of 1980, probably. Just sort of placing other events that occurred.

SENEY: I take it you didn't try to argue him out of it.

FRANCHETTI: No, no. I very much wanted it. I wanted him to run for governor from the minute he became attorney general.

SENEY: Is that right?

FRANCHETTI: Of course, I'm not the one that's doing it. [Laughter] One thing not to misunderstand in my conversation, when I say, "Well, I did this or I did that." Of course, in many cases I did do those things but he was ultimately the guy that called the shot, ultimately, he was the one who had to pay the price one way or the other. So one of the things I've always admired about him was his willingness to take those chances. It was fairly easy for people like myself to ride along with him. But he was the guy who had to say, "I'm going to go through this. I'm going to take the shot. I'm going to take the responsibility."

SENEY: Well, the staff people, the senior staff people like yourself, play a very critical role. That is why we want to talk to you; we appreciate this. He doesn't do this alone . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . With your support and encouragement . . .

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FRANCHETTI: . . . That's right . . .

SENEY: . . . And saying, "You can do this." . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . You know, it's got to be a very difficult decision.

FRANCHETTI: It was a very hard one for him because, as I indicated earlier, of the opposition and the threats that were being made. This could have been the end of his career in politics had he not been able to win that primary.

SENEY: They may have made a big mistake by threatening him, given his character.

FRANCHETTI: That's right.

SENEY: He strikes me as a pretty tough individual.

FRANCHETTI: He is, and he has a lot of self-confidence in himself and once he makes a decision, he stays by it. When he became governor, especially that year that I was there, the budget fight, I was out front a lot, but he was the guy sitting there saying, "This is what we're going to do. I don't care what happens." That was the rock that everybody worked off of, so. Anchored to, I guess you'd say.

- SENEY: This is an article from the California Journal. This is from April '79.¹
- FRANCHETTI: A few months into it [his term as attorney general].
- SENEY: Right. It says here, just in two months office here. I want to go back and share some things. One of the things you mentioned is that he challenged the constitutionality of State Employer-Employee Relations Act, S.B. 839, which was an unusual move. And that's what you found you couldn't do. You were ruled against.
- FRANCHETTI: We believed based on the law that we had the authority to do that. That the attorney general was the people's lawyer and independently could file law suits. I think that was a fair reading. But that decision was made against us. That's right.
- SENEY: Then he accused the supreme court of wreaking havoc in the justice system of California by retroactively applying a rule change that overturned the murder conviction of Russell Little of the Symbionese Liberation Army. Then it talks about your consolidation of

¹California Journal (April, 1979), p. 136.

divisions, upgrading the environmental unit to a section unit and then placing it under Mr. Shanks's control. It discusses a variety of other things here, including setting up the separate opinions division, and a separate legislative unit. That's one of the things I want to ask you about because when you were head of legislative affairs for Mr. Younger that was not a separate unit.

FRANCHETTI: Well, it kind of by de facto was. I worked in the criminal division. Other people worked in the civil division or maybe special operations but we basically had a unit that was an entity unto itself. That wasn't really as big a change in real world as it may have appeared in an article. But since I came out of there, that's what I did, that was my unit. I immediately wanted it to be established as a separate unit.

SENEY: Who did you select to head that?

FRANCHETTI: We chose Rod Blonien, the fellow I just mentioned who was the executive director of the Peace Officers Association who George and I knew very well. He was really a lobbyist for them. So we brought Rod into that and made him an assistant attorney general. And

he later went on, when George was governor, to be the legislative secretary for the governor for a number of years.

SENEY: Sorry to be skipping around. Can we go back to now as he decides to be governor, the situation looks different.

FRANCHETTI: Yes, and what it is, in retrospect, had he had a second term as attorney, the office would have been changed much more. We began in the beginning to make major changes but when we got to a certain point, required a lot of work. I mean, it takes a lot of time to make these institutional changes, to work them out. Even the special prosecutions unit probably would have done more if we'd have had more time with it. All of a sudden we weren't there two terms and we knew that we weren't going to be there, and our focus began to be just manage the office, keep us out of trouble, and focus on the campaign. And that's really what happened. So then when Van de Kamp came in and was there for eight years, he made a lot of changes. And I think we would have if we would have been there for two terms. Younger made changes over an eight year period. But we were there really a short

period of time, in retrospect. A lot of the efforts that we started, we didn't terminate but we didn't bring them to full fruition. They would have taken another term to really do.

SENEY: Give me a sense what it means to change from being a chief deputy attorney general to now concentrating on future Governor Deukmejian's campaign. How did your calendar change?

FRANCHETTI: Well, I spent a lot more time talking about a campaign and so on. It wasn't anything that you could really point a finger at. The same things happened. Obviously, we spent a lot more time especially when the campaign started, having daily meetings about what was happening, tracking polls and so on. Those sort of things which became a part of every day and weekends.

SENEY: Looking forward to who the Democratic opponent might be, was it clearly going to be [Los Angeles Mayor Tom] Bradley, did you think?

FRANCHETTI: Yes, yes. It was clear to us that Bradley was going to win that. But we were more looking at whether we could beat Curb. We were the underdogs the whole time on that. It didn't look very good at various times. But my role

FRANCHETTI: became, especially in 1982, really more of a management role than it had been before because part of my job was to run the whole thing [the attorney general's office] without George having to worry about it. So I didn't bring much to him any more. He was campaigning; it was sort of Jerry Brown being on the east coast problem, you know. Well, when you're gone all the time, somebody's got to run it. So the way that we broke it up was we took a fellow that I brought in named Steve Merksamer; he later became George's chief of staff. He left [the attorney general's office] early and became one of the first campaign people. And then I just took over the office totally. In a sense, although I was very much following and involved in making decisions based upon the campaign, probably I was managing more that last year than I was before because that was my job, to make sure that nothing happened that was a problem. When a campaign gets close like that, you can't really do anything with the office. Everything that you could do the first couple of years that might get you good press becomes very suspect because . . .

SENEY: . . . As self-serving . . .

FRANCHETTI: . . . You're self-serving. So you're just sort of saying, "OK. We're going to go out. And we want to make sure nothing happens that's bad. We're going to run it as well as we can. We're going to keep everybody happy, in the sense we don't want a lot of problems." So probably in that last year I was the attorney general. There were certain things that George was involved in but he needed to be free to campaign and focus on the campaign, raise money, and do the things he had to do.

SENEY: Well, at this point you must have known his thinking well enough to know what he would have done.

FRANCHETTI: Oh, yes. I knew his thinking very, very well.

SENEY: Did you really have to take anything to him?

FRANCHETTI: I may have, I'm sure I brought things to him but very seldom. I think I just did it more and more. So in a sense, talking about things we were going to carry out because we were going to be out of there. That doesn't mean that we weren't doing the management part of it. It just means that instead of pushing to make a particular idea develop, which we knew would take more time to do, we just put it on

the shelf and just left it where it was because we didn't have the time.

SENEY: You were caretakers. What other attorney generals . . .

FRANCHETTI: . . . We were being much more like the attorney generals that I criticized. But for a reason. Because we weren't going to be there. One way or the other, we were out of there.

SENEY: Tell me about the campaign with Curb. I mean from this vantage point one can almost forget, until you review the record, that it was a close race. People thought, "What is this man [Deukmejian] doing?"

FRANCHETTI: That's right. That's right. Curb was considered to be the favorite. He had all the money, an enormous amount of money. Actually, poll wise and money wise, he was leading up until the last week or two. What essentially happened to him--and this is talking about negative campaigning--is that there were two things that really hurt Curb ultimately. One was that he had never registered to vote. We found out about that, and we hit him very heavily on that. The second thing was that he had a strange draft exemption. I forget what

it was, A-7 or something, which was vague as to what it was. And it was something that might apply to gays; it might apply to drug users; it might apply to criminals; it was this weird general thing. We found out about it. Among Republicans--keep in mind who is voting in this primary. It is pretty conservative Republicans. As that got out, it hurt Curb very, very badly. I think that was the final coup de grace.

SENEY: Did Deukmejian have any reluctance to use that kind of thing?

FRANCHETTI: Not in that campaign. No.

SENEY: He had strong feelings about Curb.

FRANCHETTI: Yes. I don't think there was any reluctance on that. The other thing that sort of weakened Curb was that we had received very early on in the administration information that Curb had been involved in a payola type of situation. Because Curb's claim to fame was he had taken a record company and made a lot of money with it. And so on. We investigated it. It was a complaint made to us. And we investigated it very, very carefully. It was very sensitive because we didn't want to be perceived as trying to ruin

this guy. At the same time, we had a responsibility because he was a public official. We eventually found the main informants, the people who claimed they had been with him. We gave them lie detector tests. We had what were allegedly the best polygraph examiners in the country and these people passed the polygraph exam, saying Curb accepted thousands of dollars of money in selling records illegally or whatever. And we began an investigation of it. Some of the information leaked out to the press.

SENEY: There is some in one of these articles.

FRANCHETTI: There were always these leaks no matter what was done. That investigation went on . . .

SENEY: . . . Those didn't come from the attorney general's office?

FRANCHETTI: No. Not from us. No. They came from the office but not from us. They came from people who were in the bowels of the Department of Justice who didn't like Curb. I'm positive a major source of this was the organized crime unit, for example.

SENEY: Did you look hard to find who baked that?

FRANCHETTI: We tried to find them but we could never. I think I knew who they were at the time but couldn't really prove it.

SENEY: Did you mind?

FRANCHETTI: Well, it was a mixed thing. I guess from the politics of it, you want to see the guy get beat up, but you're trying to do this job right and it was a problem for us. In fact, we even let one guy, who was in our press unit, go because of this kind of thing.

SENEY: It was Bob Cook.

FRANCHETTI: Yes, in fact, Bob Cook now is in television here in Sacramento.

SENEY: Is this the same Bob Cook who gives his opinions on Channel 40?

FRANCHETTI: Yes, the same Bob Cook. That's right. The very same Bob Cook, a very talented guy. We eventually let him go because we were concerned that he was very much involved in these leaks. There was a lady who used to be a newspaper reporter, I believe she may be a television reporter in L.A. Her name was Linda Breakstone and she was very much involved in all that. Whether it was right to let them go, I don't know, but that's what we thought at the time. I think he is probably

still a life-long enemy. But the fact is that we tried to stop these things and yet at the same time, you're right, you're thinking in the back of your mind, "I want to do what I can but. . . ." The funny thing about all that was, and I'd met with Curb several times, and he kept saying, "Look, you know. Stop this. Please. This is ruining me," and so on. And I'd say, "Well, we're just going to follow it out." Because in our hearts, we believed it was true because of the polygraph exams. Interestingly and sadly, really in a way for Curb, although this wasn't the key thing, it did weaken him. Eventually we ran this investigation out and pretty much concluded that we didn't have cause for anything. We made a statement that he was . . .

SENEY: . . . Well, can I . . .

FRANCHETTI: . . . Sure, sure.

SENEY: In November '79 Deukmejian announced that he decided, "Not to further investigate Mr. Curb in this matter."¹ I mean it hardly sounds like an acquittal.

¹California Journal (February, 1980), p.53.

FRANCHETTI: That's right. But actually what we did was continue the investigation. We continued it until we actually proved everything. We actually ran down every fact and found out what it was and Curb was innocent. The polygraph exam had been wrong. And to this day I don't trust them. If anybody wants to give you a polygraph exam, tell them to go to hell because we had the best . . .

SENEY: . . . But then you felt differently.

FRANCHETTI: Oh, polygraph, experts, the best experts, it's all mumbo jumbo. And it was too bad. But for the polygraph we would never have done the investigation. We'd have just said, "Well, these kind of allegations are made." And we would have taken a little bit of heat and that would have been it. But we were so convinced that there was truth to it, we said, "We just have to run it out." We did that because it was not panning out at that point but I had them continue quietly, no big deal, to actually run every possible lead out. It took about another year of people checking things out. Until not only wasn't there evidence, we conclusively proved to ourselves that he had not [accepted payola] . . .

SENEY: Did you announce this?

FRANCHETTI: No. Well, it was over with. Well, to bring it up at this point is just to bring the thing up again and hurt him more.

SENEY: So you made a judgment to say, "We kept looking and after all it turns out he is innocent of these charges."

FRANCHETTI: Well, we basically dropped the investigation at this point. I don't think the charges came up in the campaign. But I do think that they hurt Curb at the time.

SENEY: It certainly created an impression of him. Although I think perhaps if one were to ask the public, if you say record executive, the idea of payola would come to mind. There had been so many scandals.

FRANCHETTI: Yes. That's right. He allegedly was involved with organized criminal people and so on. At any rate that was the initial thing with Curb.

SENEY: If I could ask you, how did you find out about his not voting and his draft record?

FRANCHETTI: I don't know how that was done. The campaign people did that.

SENEY: Certainly people investigated that.

FRANCHETTI: I'm sure somebody went in and investigated his voting record.

SENEY: Looked at everything.

FRANCHETTI: And looked at whatever records were public. Actually it's conceivable that Curb may have said that himself. He may have said that he hadn't voted, that he hadn't registered to vote until fairly recently. And he may have been asked the question, "What was your draft status?" And he may have given that. I believe he made those comments. In response to questions about it. Then that's how it got built up.

SENEY: Right up to the last week though it looked kind of . . .

FRANCHETTI: . . . It looked pretty much like Curb was going to win.

SENEY: What was the vote? Do you remember what the vote was?

FRANCHETTI: I forget the primary vote, but I remember the general election very, very well because that was so close and it was such a change in my life. But the primary, I was there but I don't recall the vote. I suspect it was reasonably close.

SENEY: Well, let's talk about the general election because it must have been very exhilarating to

win the primary, I would think. Do you remember the primary night?

FRANCHETTI: Oh, yes. Yes, I remember the general election a lot more than the primary to tell the truth. That impressed me more.

SENEY: Did it?

FRANCHETTI: Oh, yes. But it was exciting. The problem was, of course, we had a real tough election in front of us. You had a lot of people who were pushed out of shape in the Republican party because Curb was their guy and had not gone in. I think there was a perception that George was not going to be able to win the election. Bradley was viewed as being an extremely strong candidate, and he started his campaign right away. It was kind of the Younger thing again. Instead of taking a little break, he started his campaign immediately after the primary for the general election.

SENEY: You mean Bradley.

FRANCHETTI: Bradley. And George didn't have the money to run a campaign, to do advertising.

SENEY: Did the money come in to Deukmejian eventually?

FRANCHETTI: Some of it did. That first election he was always very short-handed on money. The second election, of course, when he was governor, everybody curried favor, they're going to give money. But in the first election I don't think we had money to run ads until September and Bradley was on doing ads and so on. Candidly, George was behind the entire time. He was behind literally up until the last few days of the campaign. And when we went into election night I did not think we were going to win.

SENEY: A lot of people didn't think he would win. You were not alone. What pulled it out do you think?

FRANCHETTI: I think a couple of things did. I think one thing that pulled it out was the first use by the Republicans of absentee ballot gathering.

SENEY: Did your people run that operation?

FRANCHETTI: I don't know. I know I wasn't involved in it. I wasn't involved in the campaign every day so I don't know what they were doing. I think it may just have been a party thing.

SENEY: Well, this was the first time it was relatively easy to get . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Absentee ballots and the Republicans quickly made use of them.

FRANCHETTI: They used it very well. And they may have even used it in the primary to some extent and really built on it. The other thing that I think was the key--George might not agree with this--I think it was the fact that Bill Roberts made comments about Tom Bradley being black. I believe that . . .

SENEY: . . . Bill Roberts being?

FRANCHETTI: OK. Bill. You've heard of the firm Spenser-Roberts. Well, Stu Spenser and Bill Roberts had been partners in an early campaign consulting firm. Then they split up and Bill Roberts started a company called The Dolphin Group which is still around. Roberts passed away a few years ago. Basically, he was the campaign man for the AG's race, and he had been George's campaign person for a long time. He ran the primary campaign and he was running the general election campaign. But we weren't doing well. We were doing very poorly. And there was a lot of dissatisfaction. We had meeting after meeting. We would have these meetings every other day, you know, sit down and read the polls. We were doing daily

tracking. We knew we were in trouble. Bradley was staying ahead. There were people, including Roberts, who kept telling George, "Look, Bradley's race is going to be an issue in this election." But George had made it very clear that he did not want that ever brought up or raised. And he felt that personally. It wasn't baloney. He really felt that.

SENEY: Because of his Armenian background.

FRANCHETTI: George is a very fair person. And a very unbiased person. He made it very clear. From the beginning, he said, "If we run against Bradley, I don't want any racial stuff in this. I just won't have it. If anybody does it, I'm going to fire them." But we're within a couple of weeks of the election and Bradley had a unique ability for a person who was black, people didn't see him as black. It's just a fact. He is a tremendous politician. People liked him. It was great. It's kind of the way the world ought to be. In California and everywhere else there's a certain bias vote. It's about 5 percent, is what it is. And that vote was not being picked up. I mean people just were not even focused on it. And

so Bill Roberts and I were walking out of the campaign headquarters which was near the L.A. airport in probably late October of 1982 and we'd just had a really bad meeting. It was real clear we were not doing well. We had a lot of problems. It didn't look like we were going to win. And Roberts said to me, "Mike, I've got to do something to turn this around." And he said, "I'm going to do it." And I said, "Good, Bill," or something and I left. I was going back to Sacramento.

SENEY: He didn't say what.

FRANCHETTI: Well, I found out. The next day he held a press conference and he said, "You know," he said to the press basically words to the effect--it should be in the paper if you look in the newspaper clips--to the effect that, "It's amazing that Bradley hasn't been hit by this 5 percent negative racial vote," and raised the race issue. George fired him immediately, and he was gone. It wasn't a phony deal. He was out of there. And then they brought in Sal Russo and Doug Watts to fill in the campaign. They took a lot of credit for having won the campaign. But I really believe in my heart that Roberts by

focusing on that one issue, against George's orders and losing his job--George never dealt with him ever again. He was out of his life. But by doing that, Roberts probably tweaked that vote a little bit enough to give us that little edge. That's how I always felt.

Now the second time it was different. With Bradley, the second time George was incumbent and he beat him and there wasn't any question. Other people may not agree with it. That's just my observation of what I think happened.

SENEY: Well, you know there was also Proposition 15¹ on the ballot . . .

FRANCHETTI: . . . That was the gun thing . . .

SENEY: . . . Gun control . . .

FRANCHETTI: Some people give credit to that also. Maybe all of it had some impact.

SENEY: Right.

FRANCHETTI: But Roberts knew exactly what he was doing. I don't know if he thought George would really fire him, but he was fired. He was gone the next day.

¹Proposition 15, November 1982.

SENEY: What effect did that have on Robert's future as a campaign consultant?

FRANCHETTI: Well, I think it probably hurt him. He continued his business for a number of years and ran other people's campaigns. In fact, his business still goes on after his death. But certainly he would have had a much higher profile, though he was a high profile guy. He had been around a long time. I think they were the initial Reagan campaign people. So they were kind of like the founders, one of the first groups to really put a campaign organization of that nature together. But the bottom line is that I believe that is what he did.

SENEY: Well, there is evidence to support your view, exit polling, that said race was a factor . . .

FRANCHETTI: . . . And it really hadn't been up to that time, and we could see it in the polling that it wasn't. You know, because you poll to ask the questions that will lead you to those various factors you're analyzing to see what's going on. And so that was interesting, but sort of a little vignette . . .

SENEY: I can't remember how many votes it was.¹ It was less than a hundred . . .

FRANCHETTI: . . . It was about a hundred thousand votes. It was less. Yes. The election night was quite a roller coaster for us.

SENEY: Tell me about it.

FRANCHETTI: I had decided during the summer of '82 that I was going to leave government. I wanted to open a law practice. I wanted to make some money and build for the future. I couldn't do that in government. So the day of the election we went down to Los Angeles. The headquarters was at the Century Plaza Hotel and we had a room . . .

[End Tape 4, Side B]

¹Tom Bradley - 3,721,418; George Deukmejian - 3,773,713. The margin of victory for Mr. Deukmejian was 52,295.

[Session 3, December 15, 1993]

[Begin Tape 5, Side A]

SENEY: Last time, Mr. Franchetti, we were talking about the election night in 1982. We were talking about how you and your wife were out walking, and maybe you would like to start from there.

FRANCHETTI: Basically, we were just talking about the decision that I had made that I was going to leave government and open a law practice. I was going to finish up that 1982 year and go on to other things. And George called, late in the afternoon, and said that he thought he could win and . . .

SENEY: . . . So that's the election day?

FRANCHETTI: Yes, four or five o'clock in the afternoon. And he said that he thought he was going to win and he really would like me to stay on for a while. He knew that I was going to be leaving. If I could stay on, I'd be director of finance because we thought at that time there was a budget problem. We had no idea

how big it was. It had been misrepresented to us as being there but nothing that we couldn't handle. He wanted to know if I would stay on a year or two and handle it.

SENEY: What made you think there was a problem?

FRANCHETTI: Well, it was pretty common knowledge in the state. It was in the paper that there was going to be a shortfall. I had been following the budget. One of my roles in '82, in addition to advising him on the campaign and running the AG's office, was to plan the transition. So I, basically, developed a book for the governor, for the chief of staff, which people thought would be me because they thought I was going to stay. Had I wanted to stay, I would have been chief of staff, but I'd already said I was going to leave. I outlined all the issues, all the things that had to be done the first sixty days, the first thirty days, during the interim between the election and the date that the governor took office, what jobs had to be filled, what the problems were, how we approached them. So I was on top of all the issues that were going on at that time. And I'd met with the Department of Finance once or twice during the

summer or the early fall and had been briefed by them as to what the issues were. One issue was that there was going to be a shortfall, maybe one hundred million dollars or something in that area. It turned out to be one billion dollars, a billion two, which at the time was the biggest budget deficit that people had had.

SENEY: That was about a twenty billion dollar budget.

FRANCHETTI: I think our first budget was twenty-one billion. So, you know, it was half of the budget size that we have now. So at any rate, he called and said, "Would you do that?" And so Tiffany [Franchetti] and I had to discuss whether I wanted to spend that extra year or two years in government. We sort of debated it back and forth and decided it would be a good thing to do because it would be a high profile job. I could do it. I'd never done this before, but I figured I could do it. It would be a good job for us. It would be a good job for me to increase my marketability as an individual. I mean I was looking at it very selfishly. Also George had asked us to do it. We'd been with him for a few years and there was a feeling of some obligation there.

So any rate, after going through this long discussion, it went on for several hours of debating what to do, we decided to do it. And then, of course, at eight o'clock election night, the press announces that George had lost. So it was kind of a funny feeling; we had gone through this effort and it was wasted anyway. But actually, about a half hour after the announcement that he had lost. . . .

There was a suite that was put aside for top staff and campaign people. Let's see, Sal Russo and Doug Watts were the two people who were at that time running the campaign, and they had people in various key precincts that were checking the votes. And they started getting results back that began to indicate to them that the television forecasts were not accurate. I'd say by about nine o'clock, 9:15, it became pretty clear that George was going to win, even though the television kept saying that he was losing. In fact, Mervin Fields refused to acknowledge that he was wrong for several hours that night. He had come on right away and then had . . .

SENEY: . . . Most of the pollsters were wrong.

FRANCHETTI: Yes. Well, all of them were, I think. And I

think the problem was . . .

SENEY: . . . [Richard] Wirthin, I think, was right .
. . .

FRANCHETTI: . . . Is that right? Well, even our own
polling showed it. I think what occurred was
people didn't take into account that change in
the bias vote which nobody realized, nobody
really could pick up because those people
won't tell you. If you're against somebody
because you're biased against them, that
doesn't show up on an interview because you're
never going to say it. You're not going to
say, "I'm not going to vote for this guy
because he's Hispanic or he's black or he's
Italian, or whatever, you know. Those are the
problems of those candidates. And also the
people had not appreciated the absentee
ballot. And they were doing exit polling, and
the exit polling was different than the final
vote. So that's what I think was probably
catching them.

But any rate, what we thought was going
to be a pretty glum evening for a while turned
out to be quite an exciting evening. George
was staying in another hotel. I don't know
where he was staying. We were at the Century

Plaza. So he came over and we had a big victory meeting. The next morning we got up and started going to work. There wasn't any real break because we had very little time to get ready. We had to be on the road and running by January 2 or 3, and this was November 5 or 6, or whatever it was. So there was very, very little time to do anything.

The way that we set it up was that I resigned as chief deputy. I had a meeting with a lady named Mary Ann Graves who was the director of finance at that time under Jerry Brown. I was sort of assuming I would have a couple of months just to get on top of things. And I told her that we'd be glad to be of any assistance to her because they had to deal with next year's budget. "No, no," she said, "I'm not going to do anything. I'm out of here. I'm turning the department over to you. Anything that you want is yours, but I'm not going to help you." I never liked her. She was a very vindictive person.

SENEY: It seems an odd thing to say.

FRANCHETTI: Yes, she was a lousy person. I cannot say any good things about her, which is fine because it worked out well for me. She was very

upset; she eventually left government and was hired by the legislature to try to undercut what I was doing for several months. It was kind of an interesting thing.

SENEY: Say a little more about that.

FRANCHETTI: I'll get to it in a minute.

SENEY: Sure.

FRANCHETTI: So at any rate, when she said that I realized we were kind of in the soup because we had to prepare a budget for 1983-84. Plus we had to undo the current year budget. There were two budgets. The budget Brown had written was false. It wasn't a real budget.

SENEY: That one that had been adopted in June.

FRANCHETTI: That's right.

SENEY: So it was six months old . . .

FRANCHETTI: . . . Right, but it wasn't true. They had misrepresented things in it. Brown was afraid to get blamed for a bad budget, for a budget problem because he was running for [U.S.] senate. So he just misrepresented, you know, claimed there were revenues that weren't there, said expenditures were lower than they really were. You know, that type of thing. So any rate, I called in a guy who was the kind of chief deputy. His name was Chon

FRANCHETTI: Gutierrez. And so I brought him into my office and sat down with him and had a little meeting with him. I said, "Look, I'm going to be doing this stuff." And I'd gotten calls already from people saying, "Fire that guy. He's a big Democrat." But when I met with him and spent about an hour with him, I really liked him. So I said to him, "You know, Chon. I've been told to fire you." He had a civil service job, but kick him out of this top job. And I said, "But I'm not going to do that." I said, "I'm going to give you a shot. If you're loyal to me and work with me, this is your job." He stayed. His picture is right there. He did an outstanding job for me. About two or three days after the election, I had Chon lined up.

I decided I needed to get somebody else who was very knowledgeable about the budget process. I knew about budgets, having been in government, but I'd never done a budget. So I thought of a guy I had remembered who used to work for [State Senator Dennis E.] Denny Carpenter. His name was Jess Huff. Jess had been kind of a budget guy, always playing around with numbers. So I ran Jess down. He

FRANCHETTI: was working in the legislature still as a staff person. I said, "Come over and be my chief deputy. My number one guy." So Jess joined.

And so the two of us, three or four days later, went down to a building that they've just torn down over here, 11th and P, which was the old Finance building-- they're building, I think, the archives building there now. We went into a conference room and sat down with the top Department of Finance people who were essentially some of these people in this picture, but they call them program budget managers. Each of them has an area of government that they're responsible for: health and welfare, criminal justice, whatever it is. We prepared a plan to basically review the entire state budget and all state operations really to decide how we were going to change them. We didn't need any help from the legislature. We knew that everything that we wanted to do we could do by simply vetoing. We knew that we had enough votes in the assembly, among Republicans, to sustain any veto. So we could basically blue pencil these items.

SENEY: If I may say . . .

FRANCHETTI: . . . Sure . . .

SENEY: My understanding here is that the Republicans in the assembly actually made an agreement with Governor Deukmejian that they wouldn't vote to override any of his vetoes. Is that so, do you know?

FRANCHETTI: Well, yes, I had a meeting with them during this period of time, and basically we had to educate them that they were in a different world now. But you're correct. There had been understanding--it exists with Wilson, I assume--they're a minority group in the assembly but, if they would back the governor, then they would gain substantial influence. We basically said, "The world's changed now." They'd been really obstructionists. They delayed things. We said, "From now on what you guys need to do is to back us and we will work with you. Basically, if you support us, you're going to be players now. You're not going to be sitting-out-there guys who just won't vote for something." Some of them didn't really like that. But they all went along with it and pretty much did so, I think, throughout the entire time.

SENEY: This was a very conservative bunch.

FRANCHETTI: Oh, they were really conservative.

SENEY: More so than the governor?

FRANCHETTI: Oh, yes. When I first met with them. Which was again this first week or two after the election. I said, "We're going to work to balance this budget and work it out." And a lot of them didn't want to do that. They wanted the budget to be out of balance. They wanted the state to go broke. Then they believed they could rebuild government. [Laughter] It was kind of like they wanted to burn it down. We got to know them afterwards. They were all right. But I'm just saying there were some pretty radical people in there. Of course, most of them are gone now.

So basically what we did in November and December--we worked every day except for maybe Christmas day--is I would go down with Huff and Chon, and we would meet with experts in the Department of Finance only--nobody else--on each area of the budget, each department. We'd go through it, and we'd explore options. I'd say, "OK, we're going to cut this part out or take this out. Or we're going to do that."

That became the budget that we introduced.

SENEY: How were these program specialists in the department that you worked with?

FRANCHETTI: They were excellent. Finance at that time, I can't vouch for it now because I haven't been there for a long time, was the best group of people in state service that I'd ever worked with. The senior people were very knowledgeable. Many of them had been in other jobs and come back in within the last year or two, and sort of gone off and been department heads and other things. They understood the system. The young people were very, very good. I could pretty much ask for almost anything. I could say, "I want to see how to do it this way." Within a day or so, I would get it back. This was before there was a lot of use of computers. Some people had their own PCs [personal computers] but most of the stuff was done in a very old-fashioned way. It's all been changed now. So I was very pleased with that. It was really a good group of people. It was a pleasure to work with them. They were very good and I brought to them some leadership that they hadn't had, plus I had the absolute confidence of the

governor. So whatever I said went. And they really liked and responded to that.

In the last few years of the Brown administration, they'd been beaten up a lot. Mary Ann Graves was a lousy administrator. The person before her was a guy named Chuck Gokey, who was a career civil servant. Jerry Brown had sort of beaten up on the Department of Finance and they were being undercut all the time. When I came in because of the role that I had, I basically said, "This is what we're going to do," and it was done that way. They began to really respond to that. I think they had an interesting ride with me because we pretty much did everything that they wanted, and what I wanted done always got done during that period of time.

SENEY: It's a small department compared to other departments . . .

FRANCHETTI: . . . Yes, a few hundred people, I suspect. I forget how many there were.

SENEY: How would you--maybe you already answered this question--how would you describe the culture of the department, say as opposed to the Department of Justice?

FRANCHETTI: Well, Finance viewed itself as the elite, as

FRANCHETTI: the best people in state government. Of course, they have enormous power because they control all the budgets. Even though people can undercut them and try to circumvent them, it is very difficult to do, even now. So if you want to really have some impact on state operations, being in the Department of Finance is a very good place to be. And if you want to learn state operations, it is a very good place to be. Particularly in 1982 and '83 when I was there, since I ran it basically, and I had backing from George. They had enormous authority, and they really liked that, and they really called the shots.

As a matter of fact, since there was no Deukmejian administration really to speak of until maybe two or three months into 1983, for those two or three months they were the state government. I mean all the policy decisions were made out of Finance. There were no department heads, or if there were, they were just trying to figure out where their office was. Our Finance person would be the person that would appear before the legislature. In fact, some of them got a little tired of that and they didn't want to have to defend [the

departments]. They felt that the roles were being merged and they wanted to be the control agency and not the policy proposers.

But all throughout '83, it was a very aggressive group of people. It was quite a process. And I was told while I was going through it, "Remember this because this will not happen again to you and certainly it happens very seldom to anybody," meaning that you are in a transition from one party to the other. All the old people are not going to have any more input into how your budget is made. You are sitting there as an individual and you're making judgments that are normally made by agency secretaries and others. And you just make them and that's the way it is. So every day I would call George and say, "This is what I recommend we do." And he would say, "OK." And that was the extent of the conversation.

SENEY: Can you give me an example of some of things that you were doing?

FRANCHETTI: Well, just cutting back the size of people, for example. I had two agendas. One was, where can we cut and trim to try to save money? The other was, where can we raise

revenues that are reasonable without imposing new taxes? Because George had promised that he would not raise taxes and he stuck to that. The reason that he did it was interesting. It wasn't so much that he was against raising taxes. He had been involved in raising taxes under Reagan, and George is a good government person. He is not an extremist in any way. He believes in what makes the system work. But when we thought that the budget problem was fairly small, it was a no-brainer to say, "Well, we can handle it without raising taxes." So the people who were in there working [during the last months of the Brown administration] had been ordered to misrepresent to us as to what the extent of the problem was. So we said, "Heck, we'll just put a no-tax-increase pledge because we can easily handle it." Then we found it was much larger, but George had already made the pledge. So he said, "Let's try to do it."

SENEY: In other words, during the campaign, they told you one hundred thousand dollars, and it turned out to be far more.

FRANCHETTI: That's right and literally a situation where it was extremely difficult to solve, which we

did, but it was very difficult to solve without raising taxes. I think had we known it was that large, he would have taken a different approach. Once he promised that he was going to do it, he didn't want to back down from it. So those were our guidelines.

SENEY: He didn't feel as though he could say, "Listen, things have been misrepresented on this issue . . ."

FRANCHETTI: . . . No, and I think he was correct because if you look just from a politics point of view, look at a Wilson who comes in with much less of a pledge. Wilson kind of said, "Well, maybe I will, maybe I won't." But he did, and he got really beat up for it because people perceived that he said, "I'm not going to raise taxes." And we were able to handle it without raising taxes, at least, the time that I was there. But that was why we had that pledge. These things develop a life of their own, where people don't even know quite how they started. After several years--I was long gone by then-- it became a pillar of his administration.

SENEY: The no tax pledge.

FRANCHETTI: That's right. But in the beginning it was

based on a rational judgment, "Let's not raise taxes. It's good for us to say that. And we can do it because the problem isn't that bad and we'll just work around it."

SENEY: I suppose his critics would say that he just became stubborn on the issue, and even later on when it might have been wise to do so . . .

FRANCHETTI: . . . [Sigh] Uh hum . . .

SENEY: . . . He wouldn't.

FRANCHETTI: Yes. It became to him a pledge that he was never going to go back on. At any rate, the kind of things that we would do is we would look at some department, and we knew we had to make certain cuts. So we basically tried to make percentage cuts in various departments. And some of it was just simply what can we trim back, how many jobs can we unfill, what duties can we get rid of? Some of it was absolute waste. The Brown administration was very much into looking for alternative ways of fuel creation. They, for example, had a project called The Mobile Pyrolizer which was this giant machine designed to turn rice stocks into fuel, into oil. I had a picture of it, in fact. I had a contest with the press . . .

SENEY: . . . Did it work? [Laughter] . . .

FRANCHETTI: . . . No. [Laughter] You know, it was this big giant thing. So, those kinds of projects were pretty easy to cut, but they're not a big chunk. When you're talking about billions of dollars, thirty, forty, a hundred thousand is not that much. So we basically did that. Then there were issues of fees. For example, the junior colleges had never had a fee. And I imposed the first fee on junior colleges.

SENEY: You opposed or imposed?

FRANCHETTI: Imposed it as part of our budget. There were two reasons, to raise a little bit of money to help offset the tremendous costs. The other reason was that I knew from my own observations over the years since I was raised in California and had been around schools and so on, there were a lot of students who went there who weren't really serious. They just went there to goof around. They got out of high school, had nothing to do for a year, so they'd go over and hook up. The JCs [junior colleges] all ran on ADA, average daily attendance. They encouraged them to come in because they got money for them for a period of time. A small fee, we thought, might, at

least, make people think once before they signed up. We rationalized that it was equivalent to costing them a six pack of beer a week at those rates. So, there were some things where you increased fees . . .

SENEY: . . . On the community colleges, the governor criticized the fact that some of these classes were like individual tax preparation and pet grooming and . . .

FRANCHETTI: . . . And a lot of that got changed over the years, I don't know if it occurred when I was there or right after. Now, of course, some of these things are fee for service type classes. Of course, the scope of the junior college, the community college, changed over the years from when I knew it as basically a step to get into the state college or state university system into more of a general education for the community system, which is what it is now, or a lot of it is.

And then there were other things that we did that were more ideological. The Coastal Commission, for example, had been a target of George's in the campaign. So we cut them back substantially.

SENEY: Why? Why was he opposed to them? I know he

was.

FRANCHETTI: Well, it was a situation similar to what we ran into when he became attorney general. The Coastal Commission was perceived by George as going far beyond anything that was needed to protect the environment and was substantially hurting the economy in California and abusing people's rights. There were cases, for example, where people would have a home damaged during a storm, a wave would come in and knock something down, and the Coastal Commission would not allow them to repair their home until they granted access to the beach. Well, that struck us as being improper, giving you just one example. A lot of it was staff. You get very extreme environmental advocates on the staff and staff runs it. This is really not a full-time group of people, anyway, that's on the commission. They meet once a month or whatever, and the staff begins to run the operation. We just had had a running fight with them. So one of the things we did was cut back their staff. That made it harder for them to do the things that they were going to do, and there was nothing they could do about it.

SENEY: How does the Finance Department do that?

FRANCHETTI: We just simply take the money out of the budget.

SENEY: There is a Coastal . . .

FRANCHETTI: . . . It's gone . . .

SENEY: . . . Commission budget . . .

FRANCHETTI: . . . Yes.

SENEY: And you unallocate the money.

FRANCHETTI: If they ask for a hundred lawyers, we give them fifty. Now when the budget bill got to the legislature, the legislature could put the money back in. But the governor could take it back out. So . . .

SENEY: . . . Just blue pencil [line item veto it]. . .
.

FRANCHETTI: . . . As long as we had enough votes to support the blue pencil and sustain the vote. See, where Wilson and these guys have a problem and the reason they have to bargain so much and we didn't, is that they need changes in the law. They need to have laws passed to take away the cost of living increase for welfare or whatever. So they need to get the legislature to affirmatively pass a bill. So the legislature says, "We won't affirmatively pass a bill unless you agree to do this in the

budget." We didn't have that problem. There was so much fat in the budget. There was so much there, we didn't need anything from the legislature. We just would come in and say, "We're not going to fund this program." They could pass a bill, and we could veto it, and they could not override the veto. In other words, George had all the authority and we used it. And so the budget that came to him had all these things that we took out put back into it. We took it out again and that was it. There was nothing they could do about it.

SENEY: My understanding is that Governor Deukmejian's general view was that he didn't want laws out of the legislature. He wanted you to look into the law that was there to see if you had authority without going through the legislature.

FRANCHETTI: Well, yes . . .

SENEY: . . . Did that come later or was that in the beginning . . .

FRANCHETTI: . . . Well, that's . . .

SENEY: . . . Let me say, I know from talking to Tony Quinn who worked for the Department of Commerce in the Deukmejian administration,

that the view was that you would go in and make sure what you wanted was complete so you didn't have to go back to the legislature.

FRANCHETTI: . . . Yes, that's probably a little different than what I'm talking about. The point that I'm making is that if, under the California system, the governor doesn't need to change the law in regard to a budget item, then the governor has absolute authority over how much money goes into that budget item. That's why the federal people want to give it [the line item veto] to the president. The same kind of thing. Say there were a hundred lawyers in Coastal Commission, I don't know how many there were, and we took out fifty. Just said, "We're not going to fund fifty." When this budget hits, those guys are all out of a job. We'd send that bill to the legislature with everything in it. And the legislature would put all those people back in, they put all the money back in. But when it came back to the governor, he could blue pencil out anything he wanted. And so he'd just blue pencil, that is, veto, line item veto, those fifty slots. The legislature would take another look at it, but they could only put them back in with a

FRANCHETTI: two-thirds vote. And we had enough votes to stop it. Then the issue is basically over. So, basically, that's the game we played with the budget, the '83-84 budget, that year, because we had all the authority and they didn't.

Where they did have some authority was that we needed to change the current year budget which was difficult to do. We needed a special bill to do that. Our plan was to reduce expenditures for '82-83 and then roll it into '83-84, to solve it in '83-84. And we also needed authority to borrow money which, interestingly, the state did not have at that time. So we had to bargain with the legislature over the current year budget to some extent, and we had to bargain with them to get the authority to go out and issue revenue anticipation notes. That for the first sixty days was the big fight. The legislature, [California State Controller] Ken Corey and others, wanted very much to raise taxes right away and so on. We didn't. They said we couldn't borrow the money; we didn't have the authority. We claimed we had some authority, but we really needed a bill

through. And eventually we came to an agreement that we would put a bill through to allow us to borrow money. I think that bill also dealt with the budget cuts in the current year, although maybe we just didn't fund those things. I'm vague on that.

SENEY: What about the 1 percent sales tax trigger that would have . . .

FRANCHETTI: . . . That was my idea. It was trigger up and trigger down. Most people don't know the full extent of it. What essentially happened was in order to get the agreement on--let's see if I've got the sequence correct--in order to get the agreement on the revenue anticipation notes, we had what may have been several weeks of meetings, where almost every day Willie Brown and [Senate President pro tem] David [A.] Roberti and whoever the Republican assembly leader was--it changed during that time--[Senator William] Bill Campbell for a while and then [Assemblyman Robert W.] Bob Naylor. Oh, Campbell was in the senate. So it was either Campbell or [Senator James W.] Nielson. It was Naylor who was the assembly Republican leader. Myself and George and maybe a couple of other staff people. We'd

sit in a room and we'd try to work out a way of solving the short term budget problem, where we needed to have authority to borrow this money. To some extent, some of the longer term problems were looked at because the argument was if we borrowed this money and there's not any money in 1983 and '84, we'll be in real trouble. So the Democrats kept saying, "We want to have a tax in place to repay this borrowing," as I recall. We went on for maybe a couple of weeks. People bargain and bargain, and everybody gets ready and we'd have three people in agreement, then one person would go to their caucus and they'd come back and say, "My caucus just won't buy into it."

SENEY: That was the problem with the Republicans in the assembly . . .

FRANCHETTI: . . . It was the assembly Republicans. They had a terrible time. So finally I came up with this idea of a trigger tax. It was simply this. We're going to borrow this money and then, on the assumption the economy was coming back, revenues would rise, and we would pay off the debt, which we ultimately did. But if we didn't, if revenues didn't reach a

particular level, whatever it was, then we would have a sales tax increase for 1 percent which, I think, raises one hundred thousand dollars in a month or something. That would be used to pay off this deficit. Then, once the debt was paid off, the tax would stop, and we would go back to the current rate. And then at some point in the future, we would have a sales tax reduction of 1 cent to pay the people back. That was my trigger up, trigger down theory.

[End Tape 5, Side A]

[Begin Tape 5, Side B]

FRANCHETTI: Most of them [the press] wrote inaccurate stories and didn't really understand what was going on [with the sales tax trigger up trigger down]. Pure laziness on their part.

SENEY: Do you mean they didn't have much of a grasp of what was going on?

FRANCHETTI: Most of them didn't. A couple of them did. Just as an example, a lot of the media is very, very lazy. So they don't take the time to understand these things. They like to go into the controversy, the conflict, instead of the issues. I used to have an open door policy. I would work until six or seven every

night. After five my door was open and anybody in the media could come by and talk about anything they wanted to. I just did it. I think one guy used to come by, and I can't remember his name, with the [Sacramento] Bee. He wrote pretty good stories. But most of them wouldn't. Even some of the columnists, they would write these stories and I'd read them and I'd say, "What world are they living in?" Because they just wouldn't even take the time to understand what the issues were. But that's how that system worked. Over a period of time everybody would be even again on the sales tax, but the idea was to find a way of financing it for the short run. That made everybody happy, and I think most of the Democrats thought that we wouldn't get the money so the tax would go up. Of course, it turned out in that year it didn't.

SENEY: If I could go back to the Department of Finance. You had budget experience in the Justice Department.

FRANCHETTI: Oh, some, yes.

SENEY: I mean but that's pretty minor compared . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . To the whole state . . .

FRANCHETTI: . . . Exactly, yes . . .

SENEY: If it were me walking into that, I suppose that I would say, "Sure, Boss, if you want me to do that, I'll take it on." But I must say I think I'd be fairly bewildered. Can you give me a personal sense of what it was like to undertake that and how you came to grips with it and got your bearings and . . .

FRANCHETTI: . . . It wasn't as difficult as it might seem because I followed the old Evelle Younger policy of finding some good people that I could work with. I mean really that's what it boiled down to. I had a very good staff and I knew where I wanted to go. I mean I knew policy wise where I wanted to go.

SENEY: Did you get the feeling that the staff was maybe leading you, or did you feel like you were able to do what you wanted to do?

FRANCHETTI: No, no. I think the staff--you never can tell with Finance--but I think the staff did what I wanted. I relied very heavily on Jess Huff, who ultimately became director of Finance, and on Chon as my key advisers.

SENEY: Mr. Guitierrez has just recently been lottery director . . .

FRANCHETTI: . . . That's right. He's been lottery

director . . .

SENEY: . . .And held a number of other important positions . . .

FRANCHETTI: . . . And he's currently in the Business, Transportation and Housing Agency. And you know, every presentation would give all the options. Then it was my call to decide what to go with.

SENEY: I know it's been a long time and there were many of them, but can you give me sense of what one of those would be like?

FRANCHETTI: Well, I would have a briefing book that would have in it, let's say, the Agricultural Labor Relations Board, the ALRB. What do they call it, the farm one?

SENEY: The Agricultural Labor Relations Board . . .

FRANCHETTI: . . . OK. I would have a briefing book that would have in it all the information about them, their history, what their budgets were, and so on. I would have in front of me one or two people who would come in for that particular issue who were the Department of Finance people who did that budget. We would discuss it, and then if I was just looking at general cuts, then I'd say, "OK. Give me some options to make three or four cuts." And they

might have them at the elbow, or they might have to come back another time and say, "Well, we've explored this and they can probably close the office in Turlock and that will save so much money." And I'd say, "OK. That's a way of doing it." If it was a policy issue, and we did this with the ALRB, much like we did with the Coastal [Commission] people, because once again the agricultural people were very tired of them and their particular approach . . .

SENEY: . . . And they were big supporters . . .

FRANCHETTI: . . . And they were supporters of George's and we wanted to make sure that we changed that, which we did. I think after George it never was the force it was and never has been since. So, for example, one of the things was how do we come up with a rationale to reduce their staffing. With the ALRB we found that several years before they had developed a staffing formula--which one of the Finance people found--which would have staffed them at about a third or half, let's say, of what they were. Of course, they'd come up with the formula, but because Brown had poured so much money into them, they hadn't paid any attention to

FRANCHETTI: it. So we just applied the formula to them, and so there was not much they could say. It was their own formula. We reduced them that way. But these were pretty intense meetings. We would start early in the morning, and we would work until five or six in the evening. Then, on a daily basis we would stop and see where we were in the budget. We knew how much we were short of revenue; we knew how much we were high in expenditures, and we were constantly doing revisions to get to a budget that we could say was a balanced budget. In between that we were also looking at this revenue shortfall. The state was out of money at that point in time. We were looking at this authority to borrow some money in the short run so that we didn't have to pay registered warrants, which is what Ken Corey wanted to do. But those would be meetings with a different group of Department of Finance people that were the Finance experts. By Finance I mean the bond experts and so on.

But basically, it was just day after day and I would take this stuff home with me, if I wanted to, in the evening and review it and come in with the options. I'd get all the

views and I'd make a decision as to where I felt we ought to go. I would send someone out to come up with some basic options. Little by little we got the budget into a place where it was ready to go.

SENEY: You obviously knew that the governor would want to cut the Coastal Commission . . .

FRANCHETTI: . . . Oh, yes, sure . . .

SENEY: . . . And want to cut the ALRB and what not, so I assume those were clear . . .

FRANCHETTI: . . . There were a lot of different areas from a policy point of view, I was not just balancing the budget. The first implementation of the new Deukmejian policies, regarding certain areas of government, were through this budget. So, to the extent that we wanted to reduce the effectiveness or the extent of a particular government entity or operation, we would look at it through the budget first. Also it so happened that we needed the money.

SENEY: Can you give me a sense of how that direction came from the governor to you?

FRANCHETTI: It was just part of being involved with him through all these years, and keep in mind that I had developed and worked with him in

developing the transition. So I knew what all the issues were, inside out. I'd been involved with them for a long time. I'd been involved with them not only when he was attorney general, but also in preparing what the issues were that we were going to try to deal with. That was not a problem for me. I was on top of all that stuff.

SENEY: Well, you said earlier that it was clear to the Finance staff that you were a person who could make these decisions . . .

FRANCHETTI: . . . Uh huh . . .

SENEY: . . . That you had the governor's confidence, how did you make that clear to them?

FRANCHETTI: Just because I just did it. I mean I didn't say anything to anybody. I just . . .

SENEY: . . . You said this is what we're going to do.

FRANCHETTI: . . . And it was done.

SENEY: You didn't have to leave the room to make a phone call to Deukmejian . . .

FRANCHETTI: . . . Exactly. In fact, later people said, "God, when you'd first say that we'd sort of go 'Yeah.' Pretty soon everything you said was happening." Literally, as I said, I probably called George once a day. Usually in the evening. Just to tell him what was going

on. If there was something I had a question about, I would ask him, but I don't remember any time when he ever said no to anything I wanted. He just said basically, "It's your deal. You put it together and we will go with it." And we had that kind of relationship at that time. We knew each other so well that his confidence was well placed because I really did reflect his views.

SENEY: Well, the press reports about you as Finance director almost invariably stress your closeness to the governor . . .

FRANCHETTI: . . . Uh hmm . . .

SENEY: . . . And the fact, of course, you're carrying out his directives and understand what he wants . . .

FRANCHETTI: . . . Uh hmm . . .

SENEY: . . . And so forth. Two of the areas that I want to ask you about. One is the cut back of attorneys in state government, why was that done?

FRANCHETTI: Because there were too many of them. Everywhere there are too many lawyers [Laughter] right now in state government.

SENEY: As a lawyer, you're speaking.

FRANCHETTI: Yes, and yes, I made major cuts and there were

a couple of reasons for that. One is that too many departments and agencies wanted to have their own legal staff. They don't really need them, but it's a status thing. They want to get their own lawyers. As the chief deputy [attorney general], this was almost an institutional thing, the attorney general was supposed to do a lot of that work but these guys, especially when you had a Republican attorney general and a Democratic governor, wanted to have their own lawyers. And so some department head, or a deputy director, who was a lawyer would have two or three lawyers in the department, and they would go out and do work that the state was already paying for the attorney general's office to do. So that was one of the reasons why I made a lot of those changes there. Institutionally I knew there were excess lawyers there, and they were a waste of time, and we really didn't need them as lawyers. They could be something else but there was no reason for them to be paid as lawyers. I suspect . . .

SENEY: You even had a formula.

FRANCHETTI: Is that right?

SENEY: Eighteen hundred and twenty billable hours per

year.

FRANCHETTI: That's a standard formula for the attorney general's office.

SENEY: Right, and you would apply that to these other departments.

FRANCHETTI: That's right. At least, we tried to anyway. I suspect that all the lawyers are back by now and probably quite a few more. That's really a waste of time and a waste of money to pay people as attorneys when you have a whole group of lawyers whose sole job is to provide that legal advice. And so that was one of the reasons we did it.

SENEY: In the transcript of your confirmation hearings, Senator [Henry J.] Mello, I think it was, raised a point with you about the nutrition program for seniors. Without worrying too much about the details, the brunt of his problem with your action was that you had essentially unallotted the money, that is, you had decided whatever the legislature had decided to spend, you were going to spend less than that. He was unhappy with that; the legislature had passed this, it was law, and your view was that you had the authority to do that.

FRANCHETTI: That's right.

SENEY: Could you talk a little bit about how that worked? How you could actually override the legislature?

FRANCHETTI: It goes back to the same basic issue I talked about, the legislature could pass a budget that had those funds in it, but if we wanted to blue pencil those funds out, we could do it. I think that's what you're talking about.

SENEY: No, these had been passed and signed by Jerry Brown actually in the waning days of his administration.

FRANCHETTI: And that was probably in the prior year's budget.

SENEY: Right.

FRANCHETTI: Well, the Department of Finance can--maybe they can; I don't know if they can any more--could basically recommend to the governor that certain funds not be spent. I suspect that was what . . .

SENEY: . . . That's what this was . . .

FRANCHETTI: . . . That was what was done. Generally, what was required was a letter to the legislature saying that we were going to do that. I think they called it a Section 28 letter. They could then respond to that, but basically you

could decide not to spend the funds. I don't recall that particular program. Keep in mind what we were doing was working with a budget Brown had created. We really did two budgets in sixty days. We redid Jerry Brown's last budget because it was so out of balance, and then we did our own budget in '83 '84. So we did the '82 '83 budget again, which was the Brown budget, and we did ours. A lot of that was internally saying, "Well, we aren't going to spend these funds. We haven't got the money so we're going to collapse this program. Or we're not going to hire these people." There was a lot of that type of work that went on. That was not really done so much, as I recall, in any particular bill but it was part of what we had to do. I suspect these particular funds were just put aside and used to offset the deficit.

SENEY:

As you went into the new budget cycle, you and the governor are going to decide, the governor and you, I guess I should put it, are going to decide where the governor wants to spend, where he wants to cut, where he wants increase and then my understanding is that you send out a circular letter to the departments, could

you kind of explain how that works?

FRANCHETTI: Yes. Understand that's the second budget . .

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SENEY: . . . This is the '84 budget . . .

FRANCHETTI: . . . This would be the '84-'85 budget, which I never really saw although I helped to prepare. That's why what I did was so very, very different because it doesn't occur very often, because we didn't have anybody to send circulars to. In other words, we just sat down in a room with Huff, Chon, myself and staff as I needed them, and we did the entire budget ourselves, with no other input except from the Department of Finance because there wasn't anybody else to give us input. In other words, this was done in November and December [1982]. That '83-'84 budget had to be printed by right after Christmas because it has to be introduced, I think, by January 10, [1983]. So we had about five or six weeks. And that's why Finance had liked it so much; there was no input from anybody. We just did it.

Now when we got around to the '84-'85 budget, you go through this process where you have budget hearings, which are not public

hearings, but hearings where, for example, the department of agriculture comes in with his budget, and we looked at it. I sit down with him, or some of the staff sits down with him, and he says, "I really need fifty more agricultural inspectors." And we say, "Well, I don't think you can have fifty; maybe we can give you thirty." And that sort of thing. And that's the normal budget process.

SENEY: Now prior to this if I'm the agricultural secretary, you've sent me a letter already, these are budget targets that are set.

FRANCHETTI: Sure. That's right and you're supposed to try to stay within that. If you want to change something, you put in what they called a BCP which is known as a budget change proposal. Because everything is based on a base line budget. Everybody's trying to undo that, but the real bottom line is that you always build on last year's budget. And so you don't go to a zero based budget where you build from zero, you start from where you started last year. You may come up or down but that's your base line, that's why they call it base line, that's what you're starting from. So, you as the head of the Department of Food Agriculture

would come in and say, "I've got twenty-five BCPs. I want to add fifty agricultural inspectors. I want to buy 500 horses for the park rangers"--you don't have park rangers, but whatever they are. And then Finance staff would recommend to me which of those ought to be approved. That's why these people like to be in Finance because they're second guessing you. Now prior to that we would have given to you guidelines. We want you to reduce your budget by 15 percent--just making up a figure. And that's the kind of guidelines people would get. Technically, then you should come in to Finance with a budget that's 15 percent below what you had before and just say, "Here's my budget." And Finance should sign off on it, and that's it. The problem is that nobody ever does that because once they get in these jobs, they get captured by the career staff within a few weeks or months, at the most, with rare exceptions. And they don't want to say no to their own staffs. So they'll come in with a budget that's not 15 percent cut. It's a 20 percent increase. Then I will . . .

SENEY:

. . . Or they want to stay where they are . . .

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FRANCHETTI: . . . Well, yes. Everybody's happy with them and all the people like them, good old Mike or somebody. Then I sit in there and say, "Why did you do this? Why did you come in with a budget 20 percent over when we told you the governor wants a reduction?" They'd say, "You make the cuts." Then they'd go back and say, "Franchetti screwed us." That's the process. It's a process where the director of finance has a role but doesn't have that ability to set the whole thing up as we did in that short window time. That's why that was a very special time. Again it hasn't happened since because there's not been a change of administrations that has involved that. Now, if [California State Treasurer] Kathleen Brown or some other Democrat were to win there might be that same ability, possibly, depending on their relationship to the finance people.

So the normal process is much more give-and-take and the policy judgments are not made by Finance really. They become much more fiscal judgments. The policy judgments--as they should be--are made by people who are supposed to make the policy. During that first budget, because there was nobody to make

the policy, Finance made the policy and the fiscal judgments. That's why everyone got such a kick out of it. They all kept saying, "This is great. This is something we won't see again in a long time."

SENEY: When you talk about these people who have been captured by their staff, this is someone who six months before has been in the governor's office and has been given this job to look out for the governor's interest.

FRANCHETTI: Very, very rarely did guys do that. [David] Dave Swoap, who was a partner of mine later, for several years, as Health and Welfare Secretary was one of those guys who was not captured. In fact, sometimes we thought he was more extreme than we would be, but he was very knowledgeable in the area. He is a national expert on health and welfare issues. But he was an exception to the rule. But most of the people within weeks you could see them change because they are working with these guys [in the departments and agencies]. They like the people, they really become captives of the department or agency that they're in and Finance stands as the one department that's used by virtually every governor, if

they use them properly, as a sort of the Horatio at the Bridge. Is that right? Whatever it is. Basically holding back these changes. That's why Finance has so much impact and that is why Finance is often resented so much.

SENEY: Let me ask you about one particular individual. We talked about the ALRB earlier. The person who was appointed general counsel who I think is the chief administrator of the ALRB, was [David] Dave Stirling. His name pops up all the time in one way or the other. He was in the Justice Department, if I'm not mistaken.

FRANCHETTI: He is now. Right now . . .

SENEY: . . . He has your old job . . .

FRANCHETTI: . . . He has my job now. He was not in prior to then.

SENEY: Do you know him well?

FRANCHETTI: I know him fairly well. I've known him for many years. He was an assemblyman. He ran for attorney general. When George decided to run for governor, he ran in the primary against [Republican nominee for AG in 1978] George Nicholson and lost as I recall.

SENEY: George Nicholson was the nominee.

FRANCHETTI: That's right. Then we appointed him to that job. No one wanted that job because here you had a board that represented everything we were so against. The members had terms, as I recall. So you had people on there who were very pro [Cesar] Chavez people, I guess you'd call them. We offered that to Stirling, and he took it and he did a good job in it. He worked his way through. It was very difficult. Very few people would have wanted to go in there because they were working with people who didn't like them. The staff was very antagonistic. He did an excellent job.

SENEY: He defined his own powers as larger, in terms of the commission's or board's power, am I right about that?

FRANCHETTI: You know, I don't recall. I just know I thought he was a very gutsy guy to go in there and do it.

SENEY: He was doing what the governor wanted . . .

FRANCHETTI: . . . Yes, and that was one job that you could change quickly. Eventually they put more pro-agricultural people, business type people on the board. Then it became a different board. It still has a role, but it is not nearly the tool for the farm workers that it was when

Jerry Brown was there. And then I think George appointed Stirling to superior court after that. Then he decided to go in the AG's office, and he's working for Lungren in the same job that I had as chief deputy.

SENEY: You know, I wanted to ask you about the Nicholson campaign eventually. I want to ask you about Deukmejian's relationship to Stirling and Nicholson because Nicholson went around saying that he had been the major author of the death penalty. Deukmejian wrote to Stirling in the primary, "Dear Dave," saying, "George Nicholson participated as did many others in the support of my 1977 death penalty law. He may have suggested drafting some amendments but he did not write the bill."

FRANCHETTI: That's right.

SENEY: The articles about him that I've read allude almost invariably to a kind of prickly personality.

FRANCHETTI: Yes. Very intense. And that's the way he could get things done. In the short run, he can get a lot of things done; a thirty day project, he could get it set up. But once he got set up, he couldn't make it work any more;

he's like the guy in football that you send in for the three yard gain to make the touchdown, but he can't play when you need a longer, sustained drive. That's the way that he was. I think he's changed a lot. He does a good job on the court of appeals and he's a good justice and so on.

SENEY: He ran against Van de Kamp in the general election.

FRANCHETTI: And he had no chance.

SENEY: One of the issues that was raised against Van de Kamp and has been raised over and over again is the Hillside Strangler case.

FRANCHETTI: Yes, I was involved in that.

SENEY: I want to ask you about that but let me change the tape.

FRANCHETTI: Sure.

[End Tape 5, Side B]

[Begin Tape 6, Side A]

FRANCHETTI: The Hillside Strangler. Yes, you're right. That was a criticism of Van de Kamp and was a mistake that he made. I don't know if it hurt him ultimately, but it certainly was raised against him a lot. What had happened was that he, Van de Kamp, is not a natural prosecutor. He's a very liberal guy. I like him very

much. I've known him, and he's a fine person and would have been a good governor. He's got a lot of talent. He was a good attorney general basically, I think. But any rate, he became DA [in Los Angeles County]. He had staff around him that gave him some very bad advice on the Hillside Strangler case which is a horrible, horrible case. They clearly had the people that were guilty. I forget the exact reasons, they began to believe that they couldn't prove the case. And they sort of did one of these . . .

SENEY: . . . Because [Kenneth] Bianchi's testimony was judged more and more unreliable . . .

FRANCHETTI: . . . That's right. That's right, and so here they were with one of those horrible murder cases, and they were going to drop the charges. They were in prison on some minor thing, Bianchi was, or whatever. And [Ronald M.] Ron George, who is now on the supreme court, was the judge in that case. He had been a deputy attorney general under Evelle Younger. I think Ronald Reagan appointed him to the court. He was very solid, very smart guy. When Van de Kamp went to dismiss the case, Ron George refused to accept the

dismissal and sent it to us.

SENEY: A judge can do that obviously.

FRANCHETTI: Well, a judge can. He said, "No, I'm not." And it was the proper thing to do. It was such a horrible case, you should try it and if they're not guilty, then they're not guilty. So we took a look at it and it came to me. Bob Philobosian was my criminal division person, and we reviewed the case. We had to make a decision as to what to do. Now instinctively my decision was let's try it. So what. This is too horrible to let these guys walk. If they're not guilty, they're not guilty, but we don't think they're not guilty. We got sort of a summary of the case, and then we held meetings. We then brought in some--I forget who these people were--prosecutors from all over the country to meet with us for a couple of days. We reviewed all the evidence as best we could in a short time and, ultimately, came up with the decision that we would take the case. We assigned two lawyers to it. Then they took another year or two to try the case. But ultimately these guys were found guilty.

It was a bad call by Van de Kamp. It was just a mistake. If it was a minor offense, a

traffic offense or drug dealing or something, you might do that and just say, "I'm going to let it go." Something as serious as that and as horrible a series of crimes, when you pretty much knew you had the people, was just a bad judgment call. It didn't kill him, which was amazing. I thought it might hurt him very badly when he ran for attorney general. It was used against him, but he certainly got by it.

SENEY: It was helpful to Deukmejian, was it not, to have him step in?

FRANCHETTI: Oh, sure, absolutely. It was the right thing for the attorney general to do just based on the merits of the case. Of course, ultimately they were found guilty. Our judgment was correct, to go forward with it.

SENEY: Well, I think Van de Kamp did rue that.

FRANCHETTI: Yes, he just got bad advice. The people who were handling the case, I forget who they were, who the deputies were, but when we looked at it, we asked around who are these people. They were people who were, I think, favorites of Van de Kamp. They were people who were perceived as not--and I may be wrong--being really heavyweight prosecutors, by the

prosecutors in the L.A. DA's office.

SENEY: You know, I want to ask about some of the other people who served with you, and one of them is Mr. [Steven] Merksamer who became his . . .

FRANCHETTI: . . . Chief of staff . . .

SENEY: . . . Chief of staff. And you said you thought maybe that job would have gone to you.

FRANCHETTI: Well, here's kind of the story of it. If somebody is going to do something on the rest of George's years, Steve's the guy to interview because he was there long after I left.

SENEY: I think he is going to be interviewed.

FRANCHETTI: He really should be because he was very much involved.

SENEY: Would he be interviewed, do you think?

FRANCHETTI: Oh, sure. I'm sure he will. Steve's involvement begins in 1978 when Evelle Younger was attorney general. We put together the Prop 13 task force. He was one of the lawyers who was assigned to it. He'd been active in Republican politics. He was an attorney, but he also had been very active in California Republican party affairs and that sort of thing. When George became attorney general

FRANCHETTI: and I was deciding who should go where, I said, "We ought to bring this guy Merksamer in, and I'm going to introduce you [Deukmejian] to him. He's going to be a special assistant attorney general. He'll work with me, but I really want him to work with you and be your liaison with the Republican party and that sort of thing." So Steve came in and basically did that role.

Steve and I were very good friends. We worked together very closely. As we got closer into the governor's thing, he had that kind of a role. His job was to be the political guy. You know, he went to the Republican convention with George. He did various things. And he became very, very close to George. The two people most close to him when he became governor were Steve and myself. The reason I say he would not have been chief of staff if I wanted to be was because that was the understanding that George and I had and that Steve and I had. He was a very loyal guy. He was only interested in it if I wasn't going to do it. I said, "I'm not going to do it. I'm going to leave." So he went and did it with my blessing. Steve was a

very talented guy. I'd say after '83, he became the closest person to Deukmejian at that . . .

SENEY: . . . After you left . . .

FRANCHETTI: . . . I'd say he got closer and closer. After I left, I was gone. I mean I never really did anything more with George. Steve stayed on, and he is right now . . .

SENEY: . . . All the way through . . .

FRANCHETTI: . . . Well, no. I think he left after the second election. I think he left in '87 or something like that. But any rate, he was very, very close to George. In terms of George's governorship, he really is the key guy in that whole thing. I was there and I left in January of '84. I never went back and I never had much to do with them, other than seeing them occasionally. Steve was in the middle of everything that occurred afterwards. He was George's closest person during the governor years.

SENEY: What is there about Mr. Merksamer that would make the governor rely on him so much and would make you notice him and bring him forward?

FRANCHETTI: Well, . . .

SENEY: . . . Obviously as chief deputy that is one of your jobs . . .

FRANCHETTI: . . . Yes. I tried to find people. Well, I think Steve is a very aggressive guy. He knows a lot of people. Whether he knew them all in the beginning or just said he did I don't know, to tell the truth [Laughter] in some cases. He certainly does now. I think he had good judgment in terms of the politics of what was going on. He was, as I said before, a very loyal guy. He worked closely with me. He did what I wanted him to do. Even though he developed a close relationship to George, as long as I was there, he never crossed me, which I liked. I assume that George liked that loyalty too. It was just a situation where he developed a good personal relationship with George. Plus just being a talented person.

SENEY: Hard worker.

FRANCHETTI: Yes, hard worker and smart. He's a smart guy and understands politics very well, I'd say. So he filled that role and then he became chief of staff in the governor's office. Again I was director of finance. I did what I wanted to do. We worked together and so . . .

SENEY: . . . He wasn't really your superior in any sense . . .

FRANCHETTI: . . . No, no. It just happened to be that relationship. Now once I left, he became the key guy. And I can't really tell you a lot about it after that. I would see him but I wasn't in the system. I don't really know.

SENEY: Sure.

FRANCHETTI: I believe he did a good job, but you would have to ask others who were there that actually saw it because I wasn't there.

SENEY: You mentioned that he didn't cross you and whatnot. Now was this typical of Deukmejian's people, that there wasn't a lot of backbiting?

FRANCHETTI: The people who came out of the attorney general's office pretty much worked together. George had a good team of people, the people that he brought in from the outside. But you had the typical backbiting that goes on. Really, he had a pretty decent group of people that came out of the AG's office. We'd worked together well. He had an intact group of folks he could bring in in various jobs. Of course, when we were in the AG's office, the backbiting didn't affect me as much because they'd all come to me and bitch and complain.

I'd make sure it was all taken care of. But as governor I think he probably had a situation where later in the administration I have a feeling there was a lot of in-fighting, but I heard that third or fourth hand, I wasn't really there.

SENEY: I want to ask you about some of these people. You may have answered my question already. That is that you may not know much about some of these people. But in the first days, your picture here with Mr. [Ken] Khachigian . . .

FRANCHETTI: . . . Ken . . .

SENEY: . . . I thought I had it wrong. And Mr. Merksamer, and the governor, and yourself, and you're all . . .

FRANCHETTI: . . . The Three Stooges or the Marx Brothers picture. That was published all over the country as a joke.

SENEY: Oh, was it?

FRANCHETTI: It was in the New York Times. That was the day after the election.

SENEY: You look very much alike.

FRANCHETTI: I know. That was the day after the election. I was at a little press conference right after the election, the next day. And Ken is one of the better campaign managers and

strategists in the country. He was then and is now. You probably know who he is. I mean if you follow . . .

SENEY: . . . I know the name.

FRANCHETTI: He had worked with Reagan. He had written speeches for Reagan. He had been in the White House, but he really is a campaign operator.

SENEY: He was in the White House and came back to California.

FRANCHETTI: That's right. A lot of people don't like working in the White House. It's a pressure cooker kind of situation. He did it for a period of time, but he wanted to come back.

SENEY: Well, he's quoted as saying, he preferred Orange County where he lived with his family.

FRANCHETTI: That's right. He lives in San Clemente. He was close to [U. S. President] Richard Nixon. He really helped Richard Nixon ghost write one of his books. That's what he did when he came back, I think. He's just a very talented guy. I still keep in touch with him. He helped George run both of his governor's campaigns. He's been involved in a lot of other campaigns. [U. S. President George] Bush, [U. S. Vice President Dan] Quayle. He was Quayle's guy. The Republicans call on him

every four years to work with the presidential or the vice presidential candidate.

SENEY: I understand he is a very influential man.

FRANCHETTI: I believe he is. Yes. Certainly among Republican circles, he has access everywhere in the country. And he's just a good, nice person. He's a talented person.

SENEY: Some of these people I've asked about you may not know them because they come later. At one point Sal Russo is the deputy chief of staff.

FRANCHETTI: Yes.

SENEY: I'm looking here . . .

FRANCHETTI: . . . I know them . . .

SENEY: . . . At December '84 . . .

FRANCHETTI: . . . Yes. Russo got involved in running the campaign, and we kept him on as a political guy. He did a good job in '83. And I think he spent another year or so and then left.

SENEY: What would you mean "as a political guy?"

FRANCHETTI: Well, maybe you might call it sort of a public relations kind of role. A lot of what happened in '83 was almost like running a campaign. The governor would go on television. We'd do polls. You know, we were trying to build support for our budget which was the only issue that we really dealt with

that year. So Russo's job, as was Doug Watt's, who was his partner, was to run that particular thing. To allow the governor to have as much public outreach as possible, to basically campaign for the governor's issues.

SENEY: He helped the governor focus on the political side.

FRANCHETTI: Yes and to set up the press conferences. Not the press conferences, Larry Thomas did that. They set up the campaign aspects, building public support for what the governor was going to do.

SENEY: Because the governor did travel . . .

FRANCHETTI: . . . Yes, it wasn't just travel . . .

SENEY: . . . A lot that year . . .

FRANCHETTI: . . . It was use of the media. The written press may not show it. But when we were in these budget fights, we had television, press statements, and special governor's statements. There was effort to build as much support as we could for our side with the legislature because they were holding the budget up. And Russo and Watts had that job. Now, later I'm not sure what they did. And eventually they went on. They were really campaign advisers, more in the role of helping, of trying to

advise Deukmejian what he should do in terms of politics.

SENEY: The overwhelming statutory and constitutional powers that the governor enjoys so much, isn't it enough? . . .

FRANCHETTI: . . . No, no . . .

SENEY: . . . Is that why you've got to watch his political side? . . .

FRANCHETTI: Once you need the legislature to pass a law for you, you're stuck because then you've got to compromise. The real lesson that anybody who is going to be governor has to understand--and I don't think I understood that then; I do now much more--is that there is a shared power. The governor isn't the only power. The legislature isn't the only power. If you can somehow work it and share that power appropriately, you can get things done. For example, what they did this year with Worker's Comp [Worker's Compensation], they sat down and worked it out. When you get into a confrontational atmosphere, neither party really uses power well.

SENEY: Do you think you did that a bit?

FRANCHETTI: Oh, sure. We were very confrontational. But I think it had to be done, and I don't know

how we would have done it differently. But you can't unring the bell. Can we take a quick break here?

[Interruption]

SENEY: Let me ask you about a couple more staff people. Gil Avila . . .

FRANCHETTI: . . . Yes. Gil Avila. Younger had always had an Hispanic liaison person. He had a black liaison, and an Hispanic liaison person. Their job was to serve in the attorney general's office as sort of a liaison with those communities. And Gil Avila became that for George when he was attorney general. I don't know where he came from to tell the truth. Here he was one day. He had had that basic role, and he was active in Republican politics. I think he must have come out of some Republican group of some kind. I guess they brought him into the governor's office. What was he liaison for?

SENEY: Special Assistant, is all that it says here . . .

FRANCHETTI: . . . Then he'd have been an Hispanic liaison. It was sort of a political type of job that [you] sort of get feedback from the state government, or from the Hispanic community and

so on. And I'm sure that's what Gil basically did.

SENEY: I'm looking here. This is an article from the California Journal¹. Ah, here it is. "Former advertising executive who is the governor's special advisor on Hispanic affairs."²

FRANCHETTI: That's it. Yes. And so he would go meet with Hispanic groups and come back with their concerns and so on. It wasn't a real heavy weight job as I recall. He didn't stay there too long. I've not heard from him for years. That was his role at any rate.

SENEY: And then the legislative person. I'm sure I'm going to say Rod Blonien.

FRANCHETTI: Yes, well, Rodney had been in the attorney general's office when Evelle Younger was attorney general. Then the last couple of years of the Reagan administration, he worked as a deputy legal affairs secretary, I believe, for Reagan. Then he was hired by the California Peace Officers' Association, and became their executive director and their lobbyist and worked closely with us on all

¹California Journal (February, 1983), p. 77.

²Ibid.

sorts of law enforcement issues. He was a good friend of mine and is a good friend of mine now. He was involved in the campaign when George ran for attorney general. He was sort of an adviser because he had ties with law enforcement and such knowledge of it. Then when I became chief deputy, I had Rod come in and be the legislative person in the attorney general's office.

SENEY: Your old job.

FRANCHETTI: That's right. He also took over the crime prevention unit at one point. Then he became the governor's legislative affairs secretary when George became governor. A major job, because that's the person responsible for reviewing all the bills, recommending to the governor whether to sign or veto bills, and dealing directly with the legislature. Sort of the governor's lobbyist. So he would be dealing with the legislature all the time on issues of all kinds.

SENEY: Given the governor's background did he rely a good deal on this man?

FRANCHETTI: Oh, yes . . .

SENEY: . . . Or was he sort of his own legislative lobbyist?

FRANCHETTI: No, no, no. I think Rod had a major role in the administration. And Rod is a lobbyist today. He has offices in this building happily. He played a major role. He was very close to George for a long time.

SENEY: Let me ask you about Peter McBrian who is listed as a specialist . . .

FRANCHETTI: . . . OK. Well, Peter was my assistant when I was chief deputy. I had a fellow who is a very bright lawyer and he worked with me when I was lobbying. He was an assistant to me in lobbying when I was working for Younger. Then when I became chief deputy, I needed somebody to kind of, you know, go through stuff that I couldn't go through, to make phone calls that I couldn't make, but I wanted a lawyer who was smart. So Peter had that job and worked closely with me. When George became governor, Peter had a role, and I'm not sure all of what he really did to tell you the truth. He basically went to the governor's office and worked as a liaison, probably in a similar role. I'm not sure if he worked in a similar role for the chief of staff, but it was an assistant role dealing with certain issues that would come up. You know, answering phone

calls and that sort of thing.

SENEY: I appreciate as finance director you weren't directly involved in the governor's office.

FRANCHETTI: Yes, I wasn't involved in that office at all.

SENEY: What about Larry Thomas?

FRANCHETTI: Larry Thomas.

SENEY: He played an important role.

FRANCHETTI: Yes. Larry Thomas plays a very important role in the Deukmejian years. A very talented man. A really good guy. Talented person. Larry Thomas had been very close to Pete Wilson. In fact, he had been Pete Wilson's press secretary and was from San Diego. His father was the editor of the San Diego Union, I believe, one of the newspapers down there. We hired Larry in November, December of '82 to become the press secretary. He was an extremely good press secretary. He became very close to Deukmejian, stayed there through the '86 election. In fact, he ran the '86 campaign, I believe. Then left to become George Bush's press secretary when Bush was vice president. He was there for, maybe, less than a year. Then he came back and now he works for the Irvine Company in government, and public relations.

SENEY: The big land company in southern California.

FRANCHETTI: That's right. But Larry was a major player. If there was a crisis, which there was often in '83, the key people who would be in the room would be Merksamer, myself, Thomas, Blonien, Russo or Watts probably depending on what the issue was. Those were the key players, the people that were really the inner circle.

SENEY: I want to talk about the--I don't know quite how to characterize it--but the trouble over your confirmation . . .

FRANCHETTI: . . . Uh huh. Sure . . .

SENEY: . . . Your controversy with [Lt. Governor Mervyn M.] Dymally. I have the transcript of the hearings, which I showed you before we began, that deal substantially with this question.

FRANCHETTI: That was the only issue . . .

SENEY: . . . Right . . .

FRANCHETTI: . . . That he was interested in.

SENEY: . . . If I may say, as I begin to raise this question, your face takes on a more serious look.

FRANCHETTI: . . . Hmm . . .

SENEY: . . . And I can understand why because this

must have been a very difficult situation for you. Am I right in that?

FRANCHETTI: It was emotionally draining to be in a fight like that and doing other things too. Sure.

SENEY: Did it ever occur to you when you spoke to Mr. [Sheldon] Lytton, who worked for Younger's campaign, that any . . .

FRANCHETTI: . . . No, no. [Laughter]

SENEY: . . . Thing like this would come to pass?

FRANCHETTI: No, no. As a matter of fact I assumed I was just doing a job that Evelle Younger wanted me to do.

SENEY: Which was essentially let out some information about Mr. Dymally.

FRANCHETTI: Share some information with Lytton that they might be able to pursue in this campaign. It was treated later as if it was confidential, but at the time, I assumed I had been told to go ahead and share this data. It was one of those things . . .

SENEY: . . . You actually got your hands slapped a bit, did you or . . .

FRANCHETTI: . . . Yes, they really shouldn't have done that. But they did it. I mean it was done to sort of cover up. Younger later told me privately, "Thanks for taking the fall on

this," which I did.

SENEY: Right.

FRANCHETTI: Basically, in summary, that situation was, without going into too unnecessary detail, Lytton was brought in [to Attorney General Younger's office] to be a political guy. I was told to work closely with him. And I worked very closely on that campaign.

SENEY: This was the Younger campaign.

FRANCHETTI: The Younger campaign. But unfortunately, Lytton was also a Curb guy. At that time the FBI was investigating the government in California. They were investigating Dymally, and we started an investigation because they wouldn't tell Younger what they were doing. So I would sit in on these meetings because a lot of it involved people in the legislature, and they wanted me to share with them my thoughts. I just happened to have seen this particular thing. So, part of my responsibility, I felt, was to let Lytton know about it. Then it got out in the press, and they made a big issue about it. Then, you know, that is essentially what happened.

SENEY: If I could go back to just one or two points, I thought it was curious that Younger would

begin a kind of investigation into what maybe the FBI was investigating. Younger himself had been an FBI agent.

FRANCHETTI: The reason why was that the FBI would not share that information. I went back [to Washington D.C.] with Younger and met with the FBI people. He met with them--I waited in the outer room [Laughter]--and asked for the information. And they wouldn't give it.

SENEY: At what level did he meet with them?

FRANCHETTI: Oh, probably the number two person in the attorney general's office. I forget who that was at that time. But keep in mind this was 1977. It was the year before he ran for governor. And then, of course, you know, once you get into an investigation of people, you never can tell what you're going to turn up. So . . .

SENEY: . . . What did you think they were looking for?

FRANCHETTI: They were looking for exactly what they eventually got here with all these people.

SENEY: We now call the current FBI investigation "Shrimpscam."

FRANCHETTI: They believed very strongly that there was a lot of bribery going on, that campaign

contributions were being funneled to individuals. They believed that in many of the government projects that had been funded, the money was being misappropriated. That's what the FBI was looking for. The FBI was looking for that even then. And then because they couldn't break through just by asking people, they apparently decided--I don't know this--they decided to do this entrapment kind of thing that they did and eventually caught these people. They'd been looking at California at least since '76, '77.

SENEY: You would characterize this as entrapment, the Shrimpscam business.

FRANCHETTI: Well, it may not be legally entrapment, but it comes close to it. The courts have found that it isn't, but you're putting the idea of the crime in the way of the people.

SENEY: I have never been able to understand what is entrapment.

FRANCHETTI: Yes, that's right.

SENEY: It must be so narrowly construed by the court.

FRANCHETTI: I think that's very true. But any rate, this went on. So what are we looking at--'87. We're looking at sixteen, seventeen years of effort. And it really started that first

time. And Dymally was a target of theirs because he was the lieutenant governor.

SENEY: There were a lot of rumors about him.

FRANCHETTI: Yes, there were a lot of rumors about Dymally and some of his associates. A lot of things were floating around at that time.

SENEY: Younger's office actually investigated Dymally. Something called an Urban Institute. There was a long report put out.

FRANCHETTI: Yes, and I don't remember the details but that's what some of this was associated with. This had to do with some of Dymally's associates and buildings. Some believed that Dymally had--these turned out to be all rumors, which is another reason why never trust these things because most of them are baloney--but there were some rumors that Dymally and whoever this other fellow was who was with him at the time . . .

SENEY: . . . [Hugh] Pike . . .

FRANCHETTI: . . . Pike had all gotten together to make money off this.

SENEY: It was a church in San Diego, was that the one?

FRANCHETTI: No, no. This was apartment buildings that they were involved in. You know, low income

housing grants and so on. I don't know what the real truth was. At any rate that was the circumstance that was involved.

SENEY: When I was preparing for our discussion today, in going through the transcripts of this material, it made me recall something you said last time about how unreliable raw intelligence files were. Did you have this incident in mind when you said that?

FRANCHETTI: No, I actually didn't but that's another example. No, I just happen to know. I've seen other files, and I know that they're not accurate.

SENEY: This all starts in a very curious way.

FRANCHETTI: Uh huh.

SENEY: A reporter, Bob Fairbanks, asks an investigator in the attorney general's office, "Is there any truth to the rumor I hear that Dymally is about to be indicted by a federal grand jury." For reasons that aren't clear to me, the investigator is sort of obliged to write this contact up. This is the memo that then comes to your attention.

FRANCHETTI: That's the point I'm making. Yes.

SENEY: That this is what you shared with Mr. Lytton.

FRANCHETTI: That's right. Exactly.

SENEY: He gives it to Bill Stout.

FRANCHETTI: Who runs it as a fact. Yes.

SENEY: That's right. Stout then is kind of hanging out there. He wants some documentary evidence. And apparently then you show the memo to Lytton . . .

FRANCHETTI: . . . Uh huh . . .

SENEY: . . . Did you give him a copy?

FRANCHETTI: I showed it to him.

SENEY: Then he's able to tell Stout, "I've seen evidence. You have my word on it." It's a very curious kind of . . .

FRANCHETTI: . . . Yes, it was. Yes. It is. Yes. Of course, I wasn't aware at the beginning of it.

SENEY: Was there ever any insight into why Fairbanks came and asked a question?

FRANCHETTI: No, I don't. No.

SENEY: I guess as curious as it is, it makes one even curiouser . . .

FRANCHETTI: . . . Why it even happened?

SENEY: Yes, why . . .

FRANCHETTI: . . . That's right. That's right . . .

SENEY: . . . Why he planted the question? To be asked? . . .

FRANCHETTI: . . . That's right. That's right.

SENEY: Might it have been someone who had known what

the course would have been? That a memo would have been written on the question itself . . .

FRANCHETTI: . . . No, you know, I doubt that because . . .

SENEY: . . . Am I being too conspiratorial?

FRANCHETTI: Yes, I think so. Although who's to say, perhaps someone thought that eventually, if asked, I would dig it up. But that's not what actually occurred. The way it started was, I mentioned to this guy Lytton, "You guys might want to check this out because I saw it, and my memo says they're looking into this." See, that was my real information. You know, with the thought being that they had their own means of inquiring into these things. Maybe this was an issue that they might want to explore. If it were true, then they could raise it. He apparently went to Stout and told him about it. And that's how the situation evolved. It was never my intent that it be used . . .

[End Tape 6, Side A]

[Begin Tape 6, Side B]

FRANCHETTI: Well, anyway, the point that we were making is that the conversation on this was basically a conversation with Shel Lytton about how the campaign was going, issues that were coming

up. I just mentioned to him, a sort of heads up, that I had seen something that indicated that there might be an indictment coming down of Dymally's associate, and they ought to look into it. If it were true, it's something they could use.

SENEY: And Dymally too.

FRANCHETTI: Yes, I'm sure. Perhaps it was Dymally.

SENEY: Both of them.

FRANCHETTI: You have looked at it recently. I haven't. It was something they ought to explore and check out; that was done in the context of simply saying, "I've heard this. Check it out." And then, of course, it got built up to being an actual fact. And that's what lead to some of the problems.

SENEY: I suppose a campaign is like a megaphone, isn't it. It shouts all these things out and magnifies them . . .

FRANCHETTI: . . . Well, it's no different than finding out that Mike Curb is a 1-Z or whatever he was. I mean these are the kind of issues that . . .

SENEY: . . . Draft status.

FRANCHETTI: These are the kind of issues that people talk about. Had I not shown him the memo, there probably would have been nothing done on it.

Again, because I had been told by Younger that I was supposed to work with this guy and kind of respond to him.

SENEY: So you thought you had direction from Younger to do this.

FRANCHETTI: Not expressly on that one issue, but I believed that I was doing what I was asked to do, which was share this information. As I mentioned before, Younger would not use his civil service people who were his top deputies to do that because they were not oriented towards his politics. So, other people like myself very often filled that role. So, that's what I felt I was doing.

SENEY: This seems kind of odd to me for Younger to do this, but I guess he was as much of a political guy as the rest of them.

FRANCHETTI: Maybe, maybe that's true. Again a lot of these signals are sent very generally. I mean, it's like if Lytton needs something, give it to him. I had worked with Lytton a lot in that year, giving him insights and sharing things with him. He was sort of the liaison with the campaign organization and the office. So he would talk with various people and I was one of them.

SENEY: How did this find its way back to you? Didn't Stout consider his sources confidential?

FRANCHETTI: Well, you know, I was asked by Younger, by the staff. I just told them. I was honest about it. I guess I could have said that I didn't do it. No one would ever have gotten back to me.

SENEY: So, it actually kind of came out of Younger's office.

FRANCHETTI: So Younger then said, "I'm going to investigate how this got out." And when they asked me, I said, "Yes, I'm the one who did it."

SENEY: Subsequently a public statement is made to that effect.

FRANCHETTI: Yes. See, what they could have done was, they could have very easily simply said, "Look, that information wasn't really confidential information. It's not that big a deal," and let it go. But for some reason--and, I believe, this is after the election when this all occurred--they decided to say that it was confidential, and I had violated a policy. But it could have been either way. There was nothing particularly secret about it. It was a rumor going around. It wasn't like it was a

big deal.

SENEY: Is this Mr. Younger trying to save his reputation?

FRANCHETTI: No, I think as I look back, it was probably the staff getting me because I'd been such a pain in the ass to them for all those years. I really believe that's what occurred. And Younger just went along. He didn't care. I mean, Younger at that stage of the game was out of government, for all practical purposes, and I think it was a final little effort to ding me. Maybe the people who did it wouldn't even see it that way, but as I've thought about it over the years, that's what I think happened. They just thought they'd kind of get me. I had been kind of uppity. It was a way of putting me down a little bit.

SENEY: So, this is out there when you are appointed Mr. Deukmejian's chief of staff, but that doesn't require senate confirmation.

FRANCHETTI: No. And there was a law suit that was filed, and we went through the law suit.

SENEY: Well, this was filed by Mr. Pike.

FRANCHETTI: That's right.

SENEY: And you ended up apologizing to Mr. Dymally .

. . .

FRANCHETTI: . . . Right. And . . .

SENEY: . . . Am I right about that?

FRANCHETTI: Yes, I actually shouldn't have. I was badly represented by my own counsel. There was nothing. There was no cause of action against me. I was mainly concerned about it because of causing George any problems. And eventually I wrote a letter saying, "I'm sorry this happened. It was inadvertent." Which was true. It was intended to end up the way that it ended up.

SENEY: And this was not really released until after the election in '82, right? This is one thing that Dymally charges, that it's kept under wraps until after the election. It's generally acknowledged in the press reports, and I read extensive press reports, that it was something on your behalf to protect Mr. Deukmejian. You didn't want to foul up his election . . .

FRANCHETTI: . . . Exactly, exactly . . .

SENEY: . . . With issues not having anything to do with him . . .

FRANCHETTI: . . . Exactly. It didn't have anything to do with him. Exactly.

SENEY: Although Dymally puts a spin on this, during

the hearings on your appointment to be director of finance;¹ he puts a kind of sinister spin on it. It makes it look even worse in a sense.

FRANCHETTI: You have to understand in the first place, I was not going to be confirmed as Director of Finance no matter what I did. I was made aware of that right up front. As soon as we got into this confrontation with the Democrats in the senate, Jesse Unruh came over and told me, "These guys are never going to confirm you." Because I was the only Deukmejian person that they could get.

SENEY: On the budget.

FRANCHETTI: On anything. They were fighting. Everybody else was covered. Keep in mind there were other people of lesser status that were not confirmed. Carol Hallett. And other . . .

SENEY: That's right. I want to talk about that.
[Victor V.] Veysey.

FRANCHETTI: And Veysey in the end. But really I was the person who was very close to the governor. I was a lead person. There were just a lot of

¹Hearing on the appointment of Mr. Michael Franchetti as Director, Department of Finance, State of California, Senate Rules Committee, State Capitol, Sacramento, CA. May 18, 1983.

people that told me, whose judgment I trusted, that there was no way these guys, given the antagonism they have, are going to confirm you. So part of my attitude was screw it then. If I'm not going to get confirmed, I'm going to do what I want to do. Which is a nice way to be. And the other part of it was, a strength or weakness of mine is I won't bow to a threat. I'll tell the end of the Dymally story in a minute. You'll kind of laugh about it, how it ultimately ends up. Nobody knows this but Dymally, myself, and a few friends. But the entire way this was done, first by Dymally and then by Roberti and the Democrats was if you don't do this and apologize, we aren't going to confirm you. It was we want to confirm you, but we wish you'd do this and make us all happy or something. It was done in the context of threatening me that I had to do it. And I just don't do that. People want to threaten me, but I just don't believe in cowing to threats. It really gets me. So we had a

SENEY: I can see that from the expression on your face.

FRANCHETTI: Yes. So I had a combination of being told by

some very knowledgeable people that I wasn't going to get confirmed anyway.

SENEY: Let me stop you just a minute to ask you . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . When did Unruh come and tell you this.

FRANCHETTI: Very early on. January, February.

SENEY: Of '83.

FRANCHETTI: Of '83, yes.

SENEY: . . . But your hearings are in May . . .

FRANCHETTI: . . . In May, yes. It was real clear to me that I had some real problems. And there were other signals that were given There were other reasons.

SENEY: What does that mean?

FRANCHETTI: Oh, just the conduct of some people. There were people in the senate looking for an excuse to ding George. They couldn't get him. They couldn't get the Merksamers of the world. They were all hidden. They were all safe behind the governor's office door. I was clearly one of the key people. And I was clearly a way of getting back at him. And that's what that vote ultimately was. Most of those people could have cared less about Mervyn Dymally. I mean he was long gone and it wasn't involved with him.

SENEY: Doesn't that bother you, the politics of this?

FRANCHETTI: You know, at the time, it really didn't. There was a lot of tension and so on. But that's the way the game's played. If you're going to play football and people tackle you and hit you, that's the game, right? It's the same thing in politics, that's the way it's played. It was unfair, in my mind, but so what. A lot of unfair things happen to people. It worked out well for me in the long run. So I certainly have no regrets about it. I was going to leave in another six months to a year anyway.

SENEY: That's what the press reports keep saying, that you were not a long-term appointment.

FRANCHETTI: Yes. And there were a lot of excuses. Roberti said, "Well, you know, when you said that it made it harder to get you confirmed." But I never believed that they were going to confirm me. I fought because I didn't want to get beat up. And I tried to do it. In my heart I just assumed I was going to be out of there. I didn't believe the Dymally thing would make a lot of difference, and I don't think it really did. I think it was an excuse. It got to a point even after the

battle was over, they just let the year run out; that was just an easy way to actually do it. There were some people who might have done it for the Dymally but that wasn't the bulk of the vote.

SENEY: Let me just refer to these transcripts because I want you to have an opportunity to maybe respond to some of them . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . Dymally makes quite an emotional statement here . . .

FRANCHETTI: . . . Yes, he was . . .

SENEY: . . . You were there . . .

FRANCHETTI: . . . Yes, he was really upset. He was shaking and . . .

SENEY: . . . Was he?

FRANCHETTI: And so on. Yes.

SENEY: He is accusing you of violating all kinds of laws.

FRANCHETTI: Oh, yes. Oh, yes. What apparently had happened to Dymally was after he lost the election to lieutenant governor, he fell on some very hard times, according to him anyway. He couldn't get a job and so he began to assume there was this conspiracy against him which wasn't true. No one cared about him one

way or the other, but people played on that. To put this in perspective, several years later Mervin Dymally and I had a cup of coffee together and shook hands on this issue, and both agreed we had been somewhat the victims of circumstances. He made comments to the effect that he'd been used, and he thought I'd been used too. I have a unique experience of having an entry in the congressional record, a speech, accusing me of being a conspirator, a racist. And several years later another one saying I'm a wonderful person, never did any of these things, wasn't a racist.

SENEY: Both from Dymally.

FRANCHETTI: Both from Dymally, yes. And so to put it in a proper context, it was part of a very intense, difficult confrontation that went on between the Deukmejian administration and the Democratic leadership. That was this change; we were taking charge. I was very out front. This was an excuse, and this was an issue to use as an excuse. Probably despite my early comment, keep in mind that the Rules Committee did recommend my confirmation . . .

SENEY: . . . [The vote was] Four to one . . .

FRANCHETTI: . . . And sent it out . . .

SENEY: . . . One vote against you . . .

FRANCHETTI: . . . Despite that--and so maybe Jesse Unruh wasn't correct--but where it finally fell apart was in the summer when Deukmejian endorsed the [Sebastiani] reapportionment initiative. That's when they refused to confirm Veysey, and they sent that confirmation recommendation back to the Rules . . .

SENEY: . . . When he set the election for the Sebastiani [reapportionment] initiative . . .

FRANCHETTI: . . . That was the final blow. That had nothing to do with Dymally at that stage. It was part of this on-going fight.

SENEY: Well, the press reports make it clear that there was more to it than just this Dymally matter.

FRANCHETTI: It was a hook, you know. It was a way of getting at me, and so we went through it.

SENEY: Well, it made for quite eloquent speeches on behalf of your detractors, shall we say? To stand up on this, rather than say, "We can't get Deukmejian."

FRANCHETTI: Oh, no. It was an excuse. But if you look how it actually worked out, the final straw was the reapportionment election.

SENEY: Yes, yes, right.

FRANCHETTI: And after that, there was not much that was going to be done.

SENEY: They just let the time on you run out [because if not confirmed by the senate within one year the appointment expires].

FRANCHETTI: That's right.

SENEY: They had scheduled another hearing in December, 1983.

FRANCHETTI: I kept demanding it. But knowing that inaction would result in the same thing, they just let it go.

SENEY: They actually seized upon the fact that you'd filed a law suit against Dymally as reason for not holding hearings in December.

FRANCHETTI: Yes. But they weren't going to do it anyway.

SENEY: Saying, well, this might all come in litigation and we might be called to testify.

FRANCHETTI: That's right. The decision had been made to let it go. And the easiest route was simply to not do anything more.

SENEY: When January 3, 1984 came around, that was the anniversary of your appointment, and without confirmation you are now out of a job. Deukmejian is livid, am I right? There was a press release.

FRANCHETTI: He wasn't there actually. He hadn't come back from L.A. So I didn't see him until later that evening.

SENEY: He was caught in the fog and had to land in San Francisco . . .

FRANCHETTI: . . . I guess that's what happened . . .

SENEY: . . . And then was caught in the traffic . . .

FRANCHETTI: . . . So, yes, yes. I saw him in the garage when I was leaving. He was very upset about it. But there wasn't much to be done. I don't know if you could replay that, if there was something to be done on it or not. I wasn't about to apologize. That was . . .

SENEY: . . . You know that was curious to me because as I read the transcript of the hearings . . .

FRANCHETTI: . . . Uh hum . . .

SENEY: . . . And [State Senator Henry J.] Mello and [State Senator Nicholas C.] Petris were saying, "Well, gee. Why doesn't he give Merv a call and say 'Gee, Merv, I really didn't mean to do that and so forth.'" And I must say, as I read this without talking to you, it does seem to make sense, why not say, "Merv, what's the problem here. I'm sorry. I didn't mean to cause you such a headache." But you're saying to me that it was the demand

that you apologize . . .

FRANCHETTI: . . . Yes, it was the way it was done from the very first. It was basically, if you don't apologize, we won't confirm you. Plus a feeling that I wasn't going to get confirmed anyway.

SENEY: So why grovel?

FRANCHETTI: Basically, there wasn't anything to apologize for. Again, after this whole thing was over, Dymally and I settled our differences. But to do it under those circumstances was something I just wasn't going to do. Screw it. If I wasn't director of finance then I wasn't director of finance.

SENEY: Well, he said certain things about you that you took exception to.

FRANCHETTI: Oh, yes. It got worse.

SENEY: And if he didn't withdraw those, you weren't going to apologize.

FRANCHETTI: That's right. Well, he accused me of being a felon and so on.

SENEY: I'm obviously not a criminal lawyer but as I read . . .

FRANCHETTI: . . . He was guilty of libel. I sued him for libel. We settled the case. Libel is if you accuse somebody of being a felon and they're

not, that is libel per se. Or slander . . .

SENEY: . . . This constitutes publication of those charges, does it not? I mean . . .

FRANCHETTI: . . . No, no, no. He actually did it on the radio. He did it on KFVB in Los Angeles. We have the transcript of the statements.

SENEY: And that's why you sued. He had sued you, and then you sued . . .

FRANCHETTI: . . . No, I sued him. That's right.

SENEY: What eventually happened to that?

FRANCHETTI: We eventually met and just settled it. I wanted to make it very clear that the allegations about me being a racist just weren't true. So that's why. The real settlement was we agreed that this thing had gotten out of hand, and there was no more use to continue to do it. I wanted a letter, which I have from him, saying he agreed that this was not racially based. It was based on other things that had gotten out of hand.

SENEY: It was partisanship.

FRANCHETTI: Yes, partisanship.

SENEY: And I take it that was the congressional record business. You wanted it clear.

FRANCHETTI: Both the congressional record and a letter to me.

SENEY: I alluded a minute ago to the fact that you are out now on January 3, and you've got to find a new desk and you find one as a consultant to the governor for a month or so. And then there's a big chorus of black legislators, [Senator] Diane [E.] Watson, [Senator] Bill Greene, and others who want you out. This man's a racist.

FRANCHETTI: Yes, yes.

SENEY: That must have been very unpleasant for you.

FRANCHETTI: Well, it was, but I'd been through a whole entire year that was unpleasant, so [Laughter] it wasn't anything. Of course, the only reason I'd stayed on for that month was to help with making sure the budget got out because it was very difficult . . .

SENEY: . . . It was the new budget year . . .

FRANCHETTI: . . . And I had no interest in staying on after that anyway. I think they didn't have the ability to understand that people might want to do other things. I think what they thought I was going to do was continue in that role, which I could have done. I could have circumvented the whole system if I wanted to do it that way. But that wasn't what I wanted to do.

SENEY: Deukmejian didn't come back to lobby the senate as the January 3, deadline approached, and I think you are quoted in here as saying that it wouldn't have made any difference anyway . . .

FRANCHETTI: . . . Yes . . .

SENEY: . . . If he had because what you're saying is, that you weren't going to be confirmed anyway.

FRANCHETTI: That's right.

SENEY: Why should Deukmejian waste his time under those circumstances if nothing going to be accomplished by it.

FRANCHETTI: I think it was even less well thought out than that. I was pretty much somebody that fought my own battles, and don't think it occurred to anyone to fight them for me, to tell the truth. It was, basically, my deal. Had the governor gone in and talked with people, would it have made a difference? I don't know. I doubt it. But that didn't happen and actually it probably hurt George a lot by me not being there [as finance director]. I think even though I would have stayed only another year. I think I was a very valuable adviser, an asset. And so I think he was less for it. His governorship was less for it. Being

honest with you.

SENEY: Sure.

FRANCHETTI: But, you know.

SENEY: Well, able aides are able aides . . .

FRANCHETTI: . . . That's right. Exactly. But anyway, it was an intense year. There are things that I read about that I don't remember happening. It became so intense.

SENEY: Well, you know, as we talk, as I look at you, obviously you're still affected by this. Would you say that's so?

FRANCHETTI: No, no. Actually, not. I may occasionally get a little angry. But I'm really not. I was in the beginning. It was quite a let-down in a way, even though I expected it. But, you know, in many ways it was the best thing that happened to me.

SENEY: I'm trying to . . .

FRANCHETTI: . . . No, no, no, I understand. I think for several reasons. One is that I left having had a very successful year. Who knows what would have happened in the future? People ran into real problems and whether I could have solved them or not, I don't know. But people always say, "God, if you would have still been there, it would have been solved." And that's

nice.

SENEY: That is nice.

FRANCHETTI: And I became a small hero to the Republicans. This guy was beat up by these liberal Democrats. I've had a little place in the Republican hierarchy because of that. I was able to start my business earlier than I'd planned, and it was very successful in those years. It became very successful right from the start.

SENEY: One of the reasons may be that the governor's office issued an announcement saying that you were going to be starting your law firm . . .

FRANCHETTI: . . . Oh, yes . . .

SENEY: . . . Franchetti and Franchetti . . .

FRANCHETTI: . . . Oh, yes . . .

SENEY: . . . In the Bay area and in Sausalito. There was some comment, "What a nice way to be . . .

FRANCHETTI: . . . That's right. That's right . . .

SENEY: . . . Launched. Obviously, this guy is going to be very close to the administration."

FRANCHETTI: And that was the perception and that certainly helped get the business going.

SENEY: I just want to allude to the governor's letter here that he writes on January 30, 1984, because there was a lot of editorial opinion

supporting you.

FRANCHETTI: Yes, there was.

SENEY: The Mercury News¹ in San Jose. The San Francisco Chronicle.²

FRANCHETTI: . . . There was. There was a lot . . .

SENEY: . . . There were a number of newspapers that said, "What is going on here?" You know . . .

FRANCHETTI: . . . That's right. That's right . . .

SENEY: . . . One of them even said, "Free Franchetti."¹

FRANCHETTI: [Laughter]

SENEY: I thought was kind of interesting. So you had a lot of editorial support here.

FRANCHETTI: That's right. We did.

SENEY: I think that the Democrats kind of showed their sensitivity by the fact that [State] Senator [Alfred E.] Alquist, the chairman of the Finance Committee, wrote every important newspaper and I think some of the unimportant ones in the state. Do you remember that letter?

FRANCHETTI: I recall he wrote a letter.

¹San Jose Mercury News (January 5, 1984), p. 68.

²San Francisco Chronicle (January 6, 1984), p. 8.

¹Los Angeles Herald Examiner (December 7, 1983), p. A-10.

SENEY: Quoting Walt Whitman and so forth. Roberti even sent out a little note¹ as well.

FRANCHETTI: Right, right.

SENEY: And that in a sense is what Deukmejian is responding to here in his own letter.² He says, and I don't want to read it all . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . But I might read a little of it. "At Mike Franchetti's urging I have refrained from publicly expressing my outrage at the state senate's failure to confirm him as director of finance. However, the recent statewide mailing of letters to the editors authored by State Senators David Roberti and Al Alquist suggest they're going to continue their attacks upon Mr. Franchetti's character and integrity. Their actions compel me to speak out." Then he goes on and talks about the essentials of the case from his point of view. "At no time did Mr. Franchetti leak information to the press regarding Mr. Dymally. In 1978 Mr. Franchetti was deputy attorney general. He informed a former high

¹Los Angeles Herald Examiner (January 17, 1984), p. A-18.

²San Jose Mercury News (February 5, 1984), p. 7C.

ranking official in the attorney general's office of the existence of a report Mr. Dymally was going to be indicted. The official was assisting Attorney General Younger, Mr. Franchetti's boss, in the campaign and Mr. Franchetti believed he was authorized to receive such information." I'm sure that's your understanding of the matter too. This must have pleased you.

FRANCHETTI: Oh, yes. Sure. But that's correct. George was very upset that night and I said, "Look, I'm out of here but you have to work with these guys, so work with them." That was my advice to him. So, he did refrain to some extent.

SENEY: Well, shortly thereafter he actually had a dinner with them.

FRANCHETTI: Oh, yes. Well, there isn't much you can really do about it. As I said it was a sharing of power, and you've got to work with these guys. I've worked with most of these people since. Some have said they're sorry that the thing happened and they wished it hadn't. Within a short period of time, I was dealing with people like Alquist and Roberti on a daily, regular basis without a big

problem.

SENEY: Still do, maybe, in Roberti's case.

FRANCHETTI: And I still do. And Alquist is still there.

SENEY: That's right.

FRANCHETTI: A couple of people that were real enemies.

[State Senator Bill] Greene was an enemy.

Bill Greene who was a black senator from L.A.

I'd say [State Senator] Diane [E.] Watson has

never been a close friend and never was

before. But for most of these other people

who were involved in it, it was truly a

political thing and a lot of them get beat up

too. [Laughter] It's never been anything

that I felt hampered me in government. I

suppose I could go back again if I ever wanted

to be in government and I wouldn't be too

worried about it.

SENEY: Maybe you've answered this question already.

What do you suppose you've learned from this

personally? What does this experience mean to

you?

FRANCHETTI: In terms of the Dymally thing?

SENEY: Yes, in terms of the Dymally thing.

FRANCHETTI: Well, I have no regrets about taking such a

hard stand on it. I think I did the right

thing. At the time, you know, I debated,

FRANCHETTI: well, what if I do do this. But I think I was right. I don't think I should have to respond to threats and so on. It should have been handled the way it was ultimately handled. I had no problems settling with Dymally when all the threats were gone. It was fine; we just did it. That was the end of it. And Dymally came on in the beginning attacking me and never made any effort to contact me or say, "Hey, what's going on." It was an immediate effort to get me. And so we got in this fight. It was fine. I have no regrets about that. Maybe it's made me tougher, you know, you go through being accused of things in the paper and so on. That probably gives you a little inner strength. Character building, they call it. But I'm not sure that I learned anything from it. I mean if you go back to the basic incident that occurred, the ostensible cause of all this, as I've grown older, I mean, obviously I've come to distrust that type of information more and more. This is just one small part of it. I don't think I learned a great deal, to tell the truth.

[Laughter]

[End of Tape 6, Side B]

[Session 4, December 15, 1994]

[Begin Tape 7, Side A]

SENEY: Let's talk a little more about the Department of Finance. Shall we?

FRANCHETTI: Sure.

SENEY: We talked about some of the mechanics, how the budget is put together. Any more of those details that an outsider should understand?

FRANCHETTI: Sure, basically, it is a very imprecise science on one end of it. That is trying to estimate what the revenues are. The revenues would be estimated by trying to figure out what the growth in the gross national product would be, what percent that would be. And then you translate that into revenues, how much California's product, so to speak, would grow. You could use a formula and figure out what you thought your revenues would be based on business taxes and personal income taxes, which are the two major taxes.

SENEY: Can't those be used politically and hasn't it been used that way in recent years, where to close the budget . . .

FRANCHETTI: . . . Sure, oh, sure. It's just an estimate. We used to have meetings once a year with economists from major banks and get them all together in a two or three day session and try to go over what they thought was going to happen. They used to like to do it. There were books that would come out and give you all the projections everybody had. If you were smart, you'd pick one in the middle and figure you couldn't be far wrong one way or the other. So that's a very inaccurate art so to speak. It's not really a science and that leads to a lot of the problems, that people don't really know sometimes what they're going to get, revenue wise.

SENEY: Am I wrong in thinking that's how the budget gap was closed in the last few budgets? That everybody kind agreed to accept projections they probably knew weren't right.

FRANCHETTI: Probably to some extent, and other cases people projected expenditures that they knew were not right.

SENEY: So they do it on both ends.

FRANCHETTI: That's right.

SENEY: Revenue and expenditure side.

FRANCHETTI: That's right. That's right. You know you can always play with it. Then just pass out budgets that were not really balanced, which they knew were not balanced.

SENEY: You know, back to more of the micro level of the Finance Department, it is, of course, the governor's control arm to keep an eye on what's going on in the various departments in a very large and far flung government, do you think it is effective in that way?

FRANCHETTI: It is. It is a fairly effective department. A lot depends on who the director is too, of course. If the person who's the director is close to the governor--he doesn't have to be personally close, but if he is backed up by the governor and is delegated the authority to really run it--then it can be extremely effective. If the governor allows a department head or an agency head to back door the Department of Finance, that is to say, "I don't agree with what they recommend," and come in and make a big thing and change it, then the governor loses that control mechanism.

SENEY: Did Governor Deukmejian ever permit that when you were there?

FRANCHETTI: Not, no, not while I was there. No. I don't think he did at all. I think Finance was a major department for him. He certainly relied on it the first year, and I think he did in the future even though later on some things occurred which I think cost him. He lost a little confidence in Finance because revenue projections were off and there were problems. But also what occurred with Finance was within the first eight or nine or ten months or first year, he began taking the people in Finance and assigning them out to different jobs. Many of them became department heads or usually deputy directors. And so he took away a lot of these good people. The Finance team that was there a year or two later was a much weaker team, maybe not weaker but certainly less experienced because these experienced people had been a pool of managers that he relied on again and again until eventually they were all gone.

SENEY: How did these Finance people do, do you know, when they were sent out to the departments?

FRANCHETTI: Some of them have done extremely well. Many of them are still in various jobs. Generally, they'd go in as a deputy to a director. So that you'd have a very experienced, knowledgeable deputy with maybe a political appointee who didn't really know the system. Chon Gutierrez became the deputy directory then the director of the California lottery; but he also had other jobs in between. A fellow named Del Pierce, who was the head of DMV [Department of Motor Vehicles] later, came by way of Finance. He really came out of Justice with us. John Caffrey, who is on the state Water Resources Control Board now, was a deputy director of the Department of Water Resources. You can find these people scattered all around at various times.

SENEY: I guess what I'm trying to get at is they might bring a different culture with them to the operation of the line departments.

FRANCHETTI: Yes. But, of course, they too become creatures of the department. Whoever you're working with, you become a creature of. I don't think any of them really were Finance people in disguise. They became deputy

directors of whatever it was and represented their particular point of view.

SENEY: They may be valuable in the sense that they knew how Finance worked.

FRANCHETTI: They understood Finance and they also understood how the system works so that they could bring an expertise. They wouldn't be fooled as much as a novice would be about what was happening. Need for budget or whatever.

SENEY: Why is the Finance Department kept so small? Is there a reason for that?

FRANCHETTI: I think it probably reflects about what is needed to do the job.

SENEY: It's never grown particularly.

FRANCHETTI: No, it really hasn't. It has no particular product. It doesn't have a clientele really. It's not work load, it . . .

SENEY: . . . That would almost help it grow larger, it seems to me . . .

FRANCHETTI: . . . You would think so. But basically the current setup is one that's been around for a long time. It's been effective. Also, Finance has always, at least in the times I've been associated with it, felt it should take the lead in showing how you can run a

tight ship. In these more difficult times, I think you've seen that the various directors say, "Well, I'm setting an example. I'm not growing my department so you shouldn't be growing yours." I think a lot of that may have been policy too.

SENEY: I know other departments have sometimes had not so charitable a view towards that, so I expect Finance would regard that as a symptom of their success.

FRANCHETTI: Yes, right. Because they're control. I know when I was in Justice, I didn't like Finance either because they'd go in and cut our budgets. We would have programs we would want to do, and they wouldn't agree to them. So that's normal. It's a control agency and it's not necessarily the most popular agency. Sort of the "what part of 'no' don't you understand." That was kind of what it was about.

SENEY: Would Governor Deukmejian have cabinet meetings and . . .

FRANCHETTI: . . . Yes . . .

SENEY: How frequently would he have those?

FRANCHETTI: Oh, maybe once every couple of weeks.

SENEY: What purpose did they serve?

FRANCHETTI: Well, they mainly were there to allow the cabinet secretaries to meet with the governor, to educate people a little bit on what was going on. I don't really think the purpose was to make a lot of decisions, but it was more a way of keeping that team together, to some extent. While I was there, the cabinet secretaries and agency heads and such were pretty separate. They didn't work together very much. The real decision making was not made by them. It was made by this little group of advisers to the governor. You have a constant conflict in any governor's office; I'm sure the White House is the same way, any executive office in government, where there's some friction all the time. The inside staff is working with the key man or woman, and they want to keep him or her to themselves, and the outside department heads and agency people want to have that access. They feel they're the direct agents of the governor, and they want to have their input. So there's always this give and take, this sort of jockeying for jurisdiction and jockeying for advantage that exists everywhere.

SENEY: Did you find yourself, maybe, being chided by them in the meeting?

FRANCHETTI: No, no. Never, I don't recall that ever happening, no. People may not have been happy, but then I was viewed as being extremely influential, very close to the governor. Many of them I helped pick. So I, personally, at least, never experienced that. We all got along well.

SENEY: They were wise enough to leave you alone.

FRANCHETTI: And I wasn't in a big conflict with them. As I indicated, for most of that year I was pretty much out there leading the fight for what the governor wanted, and they were just getting their act together. So there was seldom a major conflict. Occasionally, someone would pull a little game on me. One time a fellow who was the deputy director of the Department of Food and Agriculture wanted to go to a meeting somewhere in Nevada. We had cancelled all out of state travel without special approval. So some person in the Department of Finance turned him down. He went and complained to the [California] Cattleman's Association and they called me and complained. They were raising hell. I

wouldn't let him go talk to them. Of course, all he had to do was call me and let me know that that's what had happened.

SENEY: Was that a good idea for him to call the Cattleman's Association?

FRANCHETTI: No, I was pretty angry at him, yes.

SENEY: Did he get to go on his trip? [Laughter]

FRANCHETTI: He did, but he paid a little price over the next six months.

SENEY: What?

FRANCHETTI: Well, actually we settled it, but it was real clear that I wasn't happy. It wasn't that I cared about the Cattleman, it was just that I was in the middle of all this stuff, and I didn't need someone calling and complaining when the guy should have just picked up the phone and called me and said, "Hey, I got a problem. Can you solve it?" You know.

SENEY: Well, it seems to me . . .

FRANCHETTI: . . . That's one that comes to mind . . .

SENEY: . . . It would make sense for you to, in a sense, to discipline him so that didn't happen again. Did you discipline him in any way?

FRANCHETTI: Well, I did. I can't really recall what essentially occurred.

SENEY: That doesn't surprise me.

FRANCHETTI: Basically, I complained loudly enough and he apologized.

SENEY: The word got around.

FRANCHETTI: Trying to end run me to the governor didn't work because the governor would simply say, "Go see Mike," or, "Go see Finance," or whatever. If people tried it, it never worked for them so they stopped and they just recognized they came through us.

SENEY: Did you find as an administrative style that it was necessary to reach out and thump someone if they . . .

FRANCHETTI: . . . Sometimes that was done, yes. Although again, I wasn't there long enough to have done a lot of that. But sometimes certain people would come in and it was easy to do. I didn't have to personally do it, you just didn't give them what they wanted.

SENEY: Make sure they got the message. Did you do that as deputy to Mr. Deukmejian in the attorney general's office?

FRANCHETTI: Oh, yes. Oh, yes. With deputies or others who didn't do proper policy, we would do things to them. I mean, that sounds awful.

SENEY: I know what you mean.

FRANCHETTI: We would move them, reassign them. [Laughter] We're not going to dump them in the East River, just move them around or replace them or whatever. Sometimes it was difficult. Early in the Deukmejian attorney generalship, we had a fellow, a very good lawyer who had been there when Younger was there; he was an environmental lawyer. When Younger lost the election, he sort of didn't pay any attention to anything and he went up to Mendocino County and filed a law suit on behalf of the attorney general with no approval. He just filed it. It was sort of chaos. Then I found out about it.

SENEY: Something that might have been OK under Younger?

FRANCHETTI: No, I don't think it would have been approved under Younger. He just went up and did it. There was nobody watching him. He just thought he could do what he wanted. I forget the details. It was an environmentally-oriented thing, but I forget what it was. We'd gotten some complaints about it and then we also got a call from the sheriff up there and said, "Well, this deputy attorney general you've got who keeps coming up here, he has a

FRANCHETTI: bunch of buddies who are growing drugs up here." And he was grouching about that. I called the guy in. He worked in San Francisco, and I had him come up to Sacramento, and I said--withdrew the law suit--I said, "You had no authority to do this. Plus I understand that we've got complaints from the sheriff's office about you hanging around with these drug dealers up there. We don't want you doing that and you're not to go up there anymore. You're just not physically to go there." A few months later I got a call that he was up there again. Whether it was true or not, an informant had said that he was giving these guys advice on whether they could shoot at airplanes that flew over the marijuana fields. This is the story. So I really got upset. Talking about thumping somebody. So I called the Bureau of Narcotics Enforcement, and they went to his office and read him his rights and took a statement from him because he was breaking the law. He resigned a couple of days later. He went on to practice law and did very, very well. That was probably an extreme example of somebody who

just would not listen to the point that I just said if he's going to be doing something, I'm going to send people in there and tell him that we're serious

SENEY: Back to the cabinet meetings, could you see, over a period of time, the cabinet secretaries, department heads, become the advocates of their agency? Or departments?

FRANCHETTI: Oh, sure, sure. Yes, yes. In some cases there probably wasn't any harm in it. In other cases it was clear that [was who] they were fighting for. People want to do things, and it's very difficult for them to actually come in and take all the heat themselves. Some of them would do it, like Dave Swoap of Health and Welfare, would do it. But that was the kind of guy that he was. Some of them didn't have any problem. Like the Food and Agriculture [Agency] people, that whole group was kind of in sync with them. When you got to other groups, when you get to the State Government and Consumer Affairs Agency, has all kinds of little agencies and departments in it that have various projects that they want to do. Or the Environmental people who were the people that were grousing

about what was going on. The people heading them up invariably would start reflecting a more, you might call it, liberal view because they were getting that kind of pressure from their people.

SENEY: The governor would comment on this after a cabinet meeting?

FRANCHETTI: Well, yes, I recall situations where he'd just sort of shake his head. But we expected it. It was a way for them to go back and say, "Well, I argued the case and I lost."

SENEY: I suppose in time the way things functioned, you've got the governor's staff and the Finance director arguing the governor's view and these other people are advocates essentially for their staffs.

FRANCHETTI: That's right, that's right. Exactly. And I'm sure if you talk to Merksamer, you could get a lot more of this because he went through it for years. I'm sure as time went on that became more obvious, as people were there for longer periods of time.

SENEY: Did Governor Deukmejian enjoy the administrative details of the government? Did he . . .

FRANCHETTI: . . . I don't think so.

SENEY: Did he spend much time with it?

FRANCHETTI: Of course, I don't think he spent a lot of time with the nitty-gritty of it. In fact, I think even as attorney general, the feeling was he did not need to waste his time on little administrative things. He dealt with the major issues. I'm not saying it was one issue a day, it might be twenty things we thought were major at that time. But it wasn't that he had to sit down and really run it. And I think the governor's office ran the same way; there were people under him whose job it was to winnow out the stuff that didn't need to go to him, to make a decision on what people really needed to talk to him about. Merksamer probably had enough confidence in his relationship that he probably winnowed out a lot more than say Michael Frost, who was the second chief of staff, who didn't have the relationship with the governor that Merksamer had. He probably took more to the governor.

SENEY: Merksamer had a good idea . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . Of what the governor would want . . .

FRANCHETTI: . . . He'd been around him. Much as me with the budget, in those times. I mean I would make decisions that I might not even tell him about them. But I just knew that they were decisions that we were going to do. So at some point they'd come out but it wasn't like I'd go say, "Is it OK to do this?" I'd just do it and then later say, "This is what we did."

SENEY: Did he ever argue with you about that?

FRANCHETTI: Oh, yes. Lots of times. I had an ability to convince George of my views. But there was a knack to it. I think Steve got to be pretty good at it also.

SENEY: Give me a sense of that.

FRANCHETTI: You could tell when he wasn't comfortable with something. What you'd have to do is give him your point of view; he wasn't somebody that you pressed and said, "OK, I need an answer." You said, "OK. Think about it, and I'll come back tomorrow and we'll talk about it." You do that a couple of times. And generally if your side had some merit, you could generally get your own way. But people had to keep coming at it, and you had to convince him that a particular thing

needed to be done. This occurred while he was governor, for example. We'd come in on certain issues and we'd sit down and he might not want to do them a certain way and it took a while to convince him. Not weeks but a couple of days. He had to think about it. A lot of times the best thing with George was to just let him think about it. You could see he was not sure what to do, and you'd say, "Give a little thought to it." And we'd just leave . . .

SENEY: . . . You didn't press him . . .

FRANCHETTI: . . . Then maybe a few hours later, you'd get a call saying, "OK. Go ahead and do it." Or the next day or whatever. See, people generally want to do what the governor wants to do. I mentioned this earlier, I think, everybody's looking at his face and trying to see what he's thinking. People who didn't understand that would see him kind of uncertain or looking negative and they'd back off. And they'd say, "OK. What about this?" And they'd go off and try to see what he wanted and that always wasn't . . .

SENEY: . . . Did he like that or did he consider that to be indecisive, that an aide would back off and say . . .

FRANCHETTI: . . . I don't think he ever realized totally what was happening. No one can run a state without having people who are going to argue with you. If you're the governor or president, I assume, or whatever, even maybe the head of a big corporation or even a small operation, if you have people coming in to you who are all going to say, "Yes," you're screwed as far as I'm concerned because there's no one of us that's so right all the time that things work. But what you need are people that are going to argue with you, argue in a good way, and out of that comes an answer that everybody's worked to achieve. And a lot of that occurred when I was there. I don't know what occurred after I left. There were a lot of times we would sit maybe for an hour to debate an issue. Two or three of us in there arguing various points of view, sometimes going down one particular pathway and getting real excited about it and someone would say, "What about this?" and having a debate in which everybody had a

different point of view. Ultimately out of it would come some consensus and, of course, that had to be with the governor because he's the one who has to make the decisions.

SENEY: He would be listening to this argument?

FRANCHETTI: Or he might be involved in it. He might say, "I'm not real comfortable doing that. I don't agree." But out of that would come, at the end of it, a decision that would be made by him. Whenever I'm saying any of this, I never want to give the indication, because this is not fair, that he didn't have the final say.

SENEY: No, you're not.

FRANCHETTI: People have the tendency to sometimes blur that. But ultimately, he would make a decision. And that would be the decision that we would go forward with. But the more input that you could get, the more conflict you could get sometimes, not that people would get real angry at each other, but sometimes people would get a little testy. They are arguing, trying to convince somebody, but out of that would very often come some pretty good decisions. I think that's what was good, when he had that group,

it was good. Toward the end of his term-- purely now as an outsider--I don't think he had people that had the comfort level to argue with him. I think that probably hurt him in the end. I think there were courses of action he took that, in my mind, again seeing it as an outsider and not being there, I don't think he should have done.

SENEY: What are you referring to specifically?

FRANCHETTI: Well, one example is in the last year of his administration, he knew there were some major budget problems going forward. He knew that Wilson, at least, had a chance of being the next governor. He knew that he wasn't going to run for office any more and that he was going to retire. And he really didn't do anything to really solve it. I mean he could have taken the bit in his mouth, could have raised taxes--Wilson had to do it--could have done something, taken a little bit of heat and given the successor governor an opportunity to do something without having to inherit this problem. And he didn't do it. I think that had he had different people working for him, they would have argued that he do that. Now, he still might not have

done it, but I doubt if anybody even questioned him on that. That was sort of his instinct.

SENEY: He was very proud of his no tax increase pledge that he had kept all those years.

FRANCHETTI: Yes, he was. I think there came a time when had he had people who could deal with him, there would have been a big argument over "Let's not screw this next guy. We had enough trouble." Who particularly cares, I mean, at this point. At that point, I think he was pretty much doing everything, purely pursuant to his own instincts which were very good, but which untampered by input from other people began to, like anybody, get a little skewed off course.

SENEY: I think those who criticize him, and maybe this would be Democrats, although I suspect there may be some people on Governor Wilson's staff, at this point too, he was just doing what he'd always done. If he'd given it some thought, he would have said, "Times have changed, and we need more taxes here."

FRANCHETTI: Or something, whatever it was. Maybe that's true, again I wasn't involved with him in the sense this kind of stuff, but I'm just . . .

SENEY: . . . I guess what I'm trying to say is that he comes out looking rigid rather than thoughtful.

FRANCHETTI: Yes, and I think he is a naturally rigid person who responds to good input from staff and then out of that can come something. I think in the end the bulk of his staff were people off the bench. They were people who had been pretty low level people for the most part. All of his good people were gone, and I think he just didn't have the staff that could work with him to get him to think in those terms.

SENEY: I suppose with the staff there is a natural career progression, isn't there, moving on.

FRANCHETTI: Oh, sure.

SENEY: In that last year or so.

FRANCHETTI: Oh, sure.

SENEY: To lobbying jobs or whatever.

FRANCHETTI: Other places, yes. The last two or three years. He had a pretty full staff for the first four years and after that key people left, during that period of time.

SENEY: What would you say to the critics--this would be in the press, Democrats, or maybe even

some Republicans--who would say he was very stubborn and very thin-skinned.

FRANCHETTI: Yes, he was stubborn. He was a very strong-willed person which held him well in some situations because he would be the rock, saying that was what we were going to do. In other situations, that trait obviously was a negative. The thin-skinness, he always was that way. I think he was much less thin-skinned by the end of being governor and was able to handle things much more. But I'll give you a story. When he was attorney general, one of the deputies had been held in contempt by a federal judge and George had been named as being in contempt of court. He called me, very early at my house when I was living in Placerville and said, "Mike, my reputation is ruined. I've been held in contempt of court." And he went on. I said, "That's no big issue." "Oh, yes, it is. That's it. No one will ever trust me again." Now that kind of attitude was very hard for him. But as time went by, he got more used to it.

SENEY: Or as governor when he was willing to raise taxes which he preferred to call, I think,

"revenue enhancements." His own Republicans in the assembly, the very conservative individuals we spoke of earlier, said, "No, no, no. These are tax increases." So he immediately took them off the table.

FRANCHETTI: Yes, I recall that.

SENEY: That was after your time.

FRANCHETTI: It was after I left. But I recall that they'd talked about that. But while I was there, we raised income by closing tax loopholes. We changed a lot of the tax exemptions, or tried to. And that was an interesting time.

SENEY: But that was called closing loopholes rather than raising taxes, wasn't it?

FRANCHETTI: Whatever raises money. I mean . . .

SENEY: . . . Well, sure.

FRANCHETTI: That's what I'm saying though. We did it a little differently. We did it because we needed to raise some revenue. As it turned out, most of that didn't pass anyway. But it was an interesting time. One of the things I had put together at Finance to advise us, mainly PR, was what we called government efficiency teams, GET teams, G-E-T teams. We

FRANCHETTI: brought in all these people, business people. We gave them subject areas, gave them some staff, and on a voluntary basis they reviewed government. They were going to make recommendations; they made reports, I forget the exact number, but we had ten of these teams. Then we had team eleven which was me and Gutierrez and a couple of guys. Team eleven really made all the recommendations. [Laughter] We took all their stuff, and it was all very nice and we did what we knew we wanted to do. One of the things was we decided to take a run at getting rid of many of these tax subsidies. There is a name for them, I can't think of it. Basically, where you would allow somebody an exemption or reduce tax. We looked at things like windmills, solar energy exemptions. A whole bunch of them. A sales tax on candy and food. In fact, I guess we've got it now. There's an exemption, so we said, "Let's put this into it." Tax expenditures is what they call them. And so we put this together and we came up with enough money to help us move forward toward achieving a balanced budget. We said, "We're not raising taxes. We're

FRANCHETTI: just getting rid of these guys that have these exemptions who should be paying taxes."

We put it out there, and there was a governor's office in San Francisco, which is a beautiful office. Unfortunately, it's in that old building. It's closed. They won't let anybody in there because of the earthquake in '89. It was all paneled and so on. And we had that office there. Often on a Friday because I lived in Sausalito, I would go down and work out of that office. There was one person there who was sort of a secretary who was there all the time so I had someone to answer the phone, and I could do work there. I was sitting at my desk and the phone rang. It was Willie Brown. He said, "Monday we are going to have a committee of the whole, and you come up and argue your tax loophole bill."

So Monday I showed up in the legislature and went up to the podium. We had all the legislature there; he had decided to push this. So this bill went out to the senate. This was one of the great lobbyist full employment bills of all time. It got over to the senate with all these tax changes and so

on. When I show up at 4202 which is the large senate room, if I've got the rooms right, the big room with a balcony. I sat up in the lectern area. Willie Brown was next to me and I looked back and the whole place was filled with lobbyists. There must have been three hundred or four hundred people there. [Laughter] I thought, "Boy, have we created a lot of jobs for these guys." Eventually, most of the loophole changes were not enacted. Although years later they were. Many of the changes that were made more recently were things that we had recommended. But there was a laundry list of things, everybody had them in finance . . .

[End Tape 7, Side A]

[Begin Tape 7, Side B]

SENEY: Let me ask you. We talked this last hour about your own problems with confirmation but you weren't the only one. I want to ask you about Carol Hallett and her problems with confirmation.

FRANCHETTI: Carol Hallett's problems were personal. She had been minority leader, the Republican minority leader and then she'd run for some office and lost . . .

SENEY: . . . Lieutenant governor . . .

FRANCHETTI: . . . And for some reason she alienated a bunch of people, and they just got her. I mean it was really a personal antagonism. She had done something. I don't remember the details.

SENEY: She opposed a legislative pay raise bill when she was minority leader of the assembly . . .

FRANCHETTI: Maybe that was it, but it was pure retaliation against her. She was treated very unfairly. But again she was a professional politician. People got back at her. They got Veysey [too]. And Veysey was a very nice man. He was just a nice guy, and everybody liked him.

SENEY: Former assemblyman.

FRANCHETTI: He didn't think he would have any problems but, the AFL-CIO was very angry that the Deukmejian people had not talked to them about picking the director of Industrial Relations. Once again, they were used to having their person there. So they just decided to take Veysey on. I don't think Veysey would have failed either but for the reapportionment thing . . .

SENEY: . . . Both yours and his . . .

FRANCHETTI: . . . Both came up on the same day. Yes, and the labor guys went after him very unfairly. In fact, the guy who took his place was--I forget who it was but he wasn't any better--it was [Director of the Department of Industrial Relations] Terry Eagan, I believe, did that for a while. I believe that's who took it over. Anyway, whoever took his job was nobody that was any friend of labor. But they just got him because that was their appointment and the governor had not talked to them about it. And then this hassle came up [over the Sebastiani initiative] and in that instant, he was kicked out. He never fully understood what happened. He was very upset.

SENEY: Did you follow the reapportionment business much?

FRANCHETTI: I was involved in looking at it. Yes. It was a bad judgment--leaving me out--It was a bad call. It was pushed very much by Sal Russo and . . .

SENEY: . . . Putting the Sebastiani initiative on the ballot . . .

FRANCHETTI: . . . Yes. There was a lot of mixed feeling even among the Republicans. In fact, after

that whole thing happened and failed, Russo left. And he really fell on somewhat hard times with George. George got very upset. He felt he'd been led down the garden path a little bit, by spending a lot of money on this thing and it wasn't going to work. There were other ways of doing it and so on. But at the time that's how that came about.

SENEY: I understand there was also pressure from the Reagan administration in Washington to put the plan on the ballot . . .

FRANCHETTI: . . . There might have been . . .

SENEY: . . . Hoping to gain more seats in congress.

FRANCHETTI: It's certainly possible. That I don't recall but it could have been.

SENEY: Are you aware that one of the reasons for Republican unhappiness in the legislature over the Sebastiani plan was there had been so much discord over the reapportionment in '80-81 and '82, we're now with Sebastiani in '83 . . .

FRANCHETTI: . . . '83, Right . . .

SENEY: . . . That the Republicans had agreed with the Democrats that they wouldn't bring this matter up again?

FRANCHETTI: I was aware of that. Reapportionment, when the legislature does it, is a very personal thing. People are primarily looking out for their own seats, and I think there was a feeling that they didn't want to do it. Sebastiani was not well-liked. He was viewed as a kind of antisocial type person. An extremist. The initiative wasn't even led by anybody anybody really liked anyway.

SENEY: The governor didn't like him.

FRANCHETTI: I don't know if he did or not. He was not well-liked in the legislature. So it was just a combination of things that occurred. In addition, the very hostile confrontational fight that was going on anyway between Deukmejian, who was taking control, and the legislature, and that whole thing just added to it. It was like throwing gasoline on the fire. It added a lot to it.

SENEY: One of the things that helped to sour the relations between the governor and the legislature was the whole business of the governor's mansion.

FRANCHETTI: Yes. That was very vindictive; there was no particular reason to do it. They just did it to get him.

SENEY: What they did was they wouldn't permit him to live in the governor's mansion which the Reagans had built and Brown would never live in. Am I right about that?

FRANCHETTI: Yes, that's right. They sold it.

SENEY: Why did they do that?

FRANCHETTI: Just to get him. There wasn't any reason to do it. It was kind of a weird place anyway but . . .

SENEY: . . . It seems odd . . .

FRANCHETTI: . . . It was just pure vindictiveness. The first thirty or sixty days of that administration were absolute confrontation on a minute by minute basis, with people using foul language, [making] direct attacks all the time. It was just an amazingly hostile atmosphere. I mean it was just . . .

SENEY: . . . How do you account for that?

FRANCHETTI: I believe the source of it was that we came in and we said, "Here's our budget. Here's what we are going to do. We're going to run this." And I think the Democrats were used to the Jerry Brown administration where they ran it, and it just got them, and they tried to stop us. Maybe there was something else but that's what I've always assumed. Because

FRANCHETTI: from the first minute, it was direct confrontation and hostility and attacks and attacks and attacks. Anything anybody could do was thrown at people. No willingness to talk, really. We would have meetings, and they were just a waste of time. You know, they were trying to get George to somehow do something conciliatory towards them, and then he wouldn't do it and then it would get worse.

I remember one time [Assemblyman] John Vasconcellos and who else, Alquist, and some other Democrats wanted to come down. They came down in the front part of the governor's office which had a large conference room--I don't know if you've ever been in there, but there's a secretary's reception area and there's a large conference room and then there's an office in the back--it was late in the evening and we were going through the budget. They came down with another proposal. They had just called George some names, and so he was in his office and I was standing or sitting at this cabinet table with a couple of other people, and they came in. Rod Blonien went in to tell George that

they were here. He came out and said, "The governor doesn't want to see you." They got all upset and stormed out, and Rod said, "You know, George said to me, 'I don't want to see them. Tell them to get out of here.'" Rod said, "Well," I said, 'Governor, I can't do that.' And he said, "Well, if you don't do it, I'll do it." [Laughter] So it was that kind of situation. It was very, very hostile.

It was more than just hostile in theory. They were trying to undo everything that we were trying to do. We were trying to make this particular plan work, and they just did everything they could to not make it work, trying to make us fail. It wasn't even like they didn't agree. It was a very active effort to destroy, to undercut our plan, to make us fail so they would win and we would lose. That was just the way it was.

SENEY: Roberti had a couple of things to say. One about Deukmejian. He referred to him as a patriarch. "He thinks he's the patriarch and he's going to run things. That isn't how it's going to be." Did Deukmejian regard

that at all as a reflection on his Armenian heritage?

FRANCHETTI: He might have. I don't recall that statement. But clearly . . .

SENEY: . . . He called you a Hun.¹ Roberti called you a Hun.

FRANCHETTI: Oh, yes. [Laughter]

SENEY: With a name like Franchetti, I don't know how . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . How did that come about?

FRANCHETTI: I recall him making it. I recall reading about that, but I don't remember what it was. It had something to do with the budget. Destroying all those . . .

SENEY: . . . Then you demanded an apology from him. You were . . .

FRANCHETTI: . . . I suspect I did . . .

SENEY: . . . Quite vigorous . . .

FRANCHETTI: . . . I suspect I did.

SENEY: As I'm reading this in the press, I'm thinking this doesn't make sense.

FRANCHETTI: Yes, but that was . . .

SENEY: . . . To an outsider, it doesn't . . .

¹Sacramento Bee (July 23, 1983), p. A8.

FRANCHETTI: . . . Yes, but that was the atmosphere we were working in. Extremely hostile all the time.

SENEY: This is now July that this Hun remark was made.

FRANCHETTI: Oh, OK, well that, it had gone on a little ways.

SENEY: So it looked like things had evolved to such a point.

FRANCHETTI: Yes.

SENEY: It was very bitter.

FRANCHETTI: Yes, it was. Although the legislature was probably ready to go home by then, it was a very confrontational time. Over many issues. That's why the Dymally thing may seem to be a big thing, and it was to some extent, it was really just a small part of the whole thing, and the press might pick up on it when there was nothing else going on. But we were having these kind of confrontations on everything. It was just one more thing that you dealt with. I think after that it calmed down. Some people have said, "Well, maybe just getting rid of you made everybody feel kind of like that was it. They'd kind of had

their pound of flesh and things can calm down." And that may have been possible too.

SENEY: What was your relationship with Roberti like before you became Finance director?

FRANCHETTI: Well, I knew him casually for many years. Of course, I knew all these people because I'd worked in the legislature and all of them were still around but not close. I just knew them. I was not close when I was director of Finance. He's not a very decisive person. He's very indecisive, and he's very unwilling to take a stand on most issues. A couple of issues he believes in like pro-animals. He doesn't want animals hurt. He feels very strongly about that and will take stands on that kind of issue. But even take an issue like abortion; he's very anti-abortion, but you would never know it because he reads his caucus all the time. A lot of the Dymally stuff was because he was getting pressure from some people he viewed as key votes, mainly some of the black senators. David Roberti would agree to something, honestly agree to it, and then a few weeks later would change. You'd say, "What happened?" And he'd say, "Well, the situation changed."

That was his justification for changing an agreement. And that's the way he is. That's the nature of the person.

SENEY: How about Willie Brown? How would you describe him?

FRANCHETTI: Most of my troubles were with the senate, from a personal point of view, some of the other people I got along with fairly well. We had very few problems. I always worked well with Willie Brown. I had a lot of respect for him. A very smart guy, he can be very vicious and petty as he was many times. But if he agreed to do something, he would do it. And he had the ability to do it. Whereas Roberti always gave you the impression that he didn't fully have the ability, that he was always kind of on the edge. That may be true. You know, somebody was always just two votes away from kicking him out, he always had to do this [as president pro tem]. Whereas Brown would come and say, "This is, by god, OK." He'd argue and make a fuss but when the time came, he would go ahead. If he agreed we were going to do something, it would get done.

- SENEY: There are some press reports in terms of Roberti that [State Senator] Paul Carpenter wanted his job.
- FRANCHETTI: I'm sure a number of people did.
- SENEY: In the case of your confirmation that was one of the factors that kept Roberti on this.
- FRANCHETTI: Yes, that's certainly possible. And I really do think some of what occurred was--maybe this contradicts what I said earlier--but I think some of what occurred was that Roberti was trying to please the biggest number of his constituency, which was the Democrats in the senate. He had some key people who he was afraid would go one way or the other if he didn't act a certain way. He had told me that. I don't know if I fully believed him, but he told me several times that he had a problem.
- SENEY: He hadn't been leader very long at this point, only a couple of years.
- FRANCHETTI: Yes, something like that. But that may have been just an excuse. That probably explains some of his conduct, from my point of view.
- SENEY: As Finance director you sat on a number of boards and commissions and I said to you as we took a break today that I took the trouble

of getting from the state Lands Commission copies of all of--you're chuckling here--I should have asked you first if this was important . . .

FRANCHETTI: . . . [Laughter] It's not . . .

SENEY: . . . Since they charged me ten dollars.

FRANCHETTI: I'm laughing. I'm sorry you did that.

SENEY: Well, you can be proud of them in a fiscal sense. So I have here copy summaries of agendas for all the meetings that you attended as Finance director. Ken Corey the state controller is the state chair at this point . . .

FRANCHETTI: . . . And Leo McCarthy . . .

SENEY: . . . Leo McCarthy . . .

FRANCHETTI: . . . And my self . . .

SENEY: . . . Leo McCarthy and yourself. It seemed to me you went to these meetings.

FRANCHETTI: I went to the Lands Commission meetings in person. Most of the others I didn't attend. I'd have someone else.

SENEY: There were many boards and commissions on which the . . .

FRANCHETTI: . . . Even the Franchise Tax Board, I think I seldom sat on the Franchise Tax Board. The Lands Commission I did because of the simple

reason we had Corey and McCarthy on it, I felt that I wanted to be there because there were some issues that might come up and I felt since in that case these two constitutional officers were there, I should be there.

SENEY: You could have deputized someone.

FRANCHETTI: Oh, yes. Most of the other boards I generally did that.

SENEY: Did Corey come himself or did McCarthy come himself?

FRANCHETTI: Oh, yes.

SENEY: This was important enough.

FRANCHETTI: It was important to both of them. For Corey, it was one of his major things he did. And Leo, he had nothing else. Lieutenant governor has no duties, so this was a big issue. But as you can see I don't remember the items. But most of the agenda items were not big deals.

SENEY: There was a long consent calendar.

FRANCHETTI: Yes.

SENEY: These were judged to be noncontroversial and so forth.

FRANCHETTI: Yes, that's right.

SENEY: Then there's the regular calendar. I guess these things are more controversial.

FRANCHETTI: Let me see a couple of them. I haven't looked at them, obviously, for many years.

SENEY: And I must say it's impossible for me to tell the difference between items on the consent calendar and on the regular calendar.

FRANCHETTI: Yes. The consent calendar people would want to move something. I remember one case we had where somebody had an issue of renting land for grazing. That sort of thing.

SENEY: There's one here that they approved a ten year grazing lease.

FRANCHETTI: That's right.

SENEY: For livestock.

FRANCHETTI: Yes.

SENEY: On state school lands located six miles plus or minus northerly of Benton in Mono County.

FRANCHETTI: That's right. And you'd discuss whether the lease was big enough or not. The consent calendar would be one where the staff and everyone was in agreement that this is what should be done. In many cases purely procedural things and in other cases maybe something that had been worked out informally. I'd say probably the biggest

thing the Lands Commission was involved in was the law suit against the oil industry for price fixing, and that went on for many years. Eventually, the state got some money out of that. I was long gone by the time that was settled. That was settled just a couple of years ago. But most of these issues were not very controversial, these were pretty low profile issues. But I sat because . . .

SENEY: . . . Outside of the oil issue, nothing comes to mind.

FRANCHETTI: No, not that I can think of. Nothing controversial in any way. There'd be little issues.

SENEY: It looks to be very mundane.

FRANCHETTI: Right. Whether Joe Smultz would get a lease somewhere. We would pretty much do what the staff recommended, you know, unless you had some particular interest in the issue.

SENEY: What about the Franchise Tax Board? You say you didn't . . .

FRANCHETTI: . . . I did very little on the Franchise Tax Board. In retrospect, I should have sat in on more meetings because it has a pretty major role but I . . .

SENEY: . . . Which is?

FRANCHETTI: Well, it basically sets tax policies for how you collect taxes and so on. I viewed it more as a technical board, which it really is. And I think Jess Huff would normally sit in on those for me. But when you're dealing with the other issues I was dealing with, it wasn't that big a deal. And there were a number of other boards. There was the State Lands Conservancy, there's a name for it, which I sat in on because it was kind of fun because they would buy pieces of land to turn into parks and so on. People would come in and say we would like to have the city buy this beach or whatever, and they would have a certain amount of money that they could spend.

Then there was the State Allocation Board which I was chairman of. And that would approve the purchase of land for schools and the allocation money for the expansion of schools. Since I was the chairman, I would attend. It met maybe four times while I was there. Three or four times. I was the chairman of that.

Then there was the State Board of Control that I was on, I believe, which I would attend pretty regularly if there was anything of any importance. They might review protests of contracts and things of that nature. And then I must have been on technically on another twenty or thirty different boards and commissions.

SENEY: Yes. I got a list . . .

FRANCHETTI: . . . There was a whole bunch of them . . .

SENEY: . . . And it's longer now than in your time because of all of these prison siting committees . . .

FRANCHETTI: . . . Oh, yes. Sure . . .

SENEY: . . . That came about as a result of prison bond construction initiatives that the Finance director sits on. There must be a dozen or so of these. What's the purpose of having the Finance director on all of these?

FRANCHETTI: Well, I think the idea is that since so many of them involve money that it's good to have Finance have a representative on them. One of the ones that was the most fun was, I can't think of the name of it. But the state owns a race track; the Del Mar race track is owned by the state of California. There is a

board that runs it. Whatever it's called. It's not the horse racing board. That's a separate board.¹ But there's a board. . . .

SENEY: It's the Del Mar Corporation Board.

FRANCHETTI: No, there's a state name for it. The Del Mar Corporation leases the track from the state. So I would sit on that and the one year that I was there we had our board meeting down at Del Mar race track. Afterwards we went and watched all the horse races and the guy [Clare Berryhill] who was the director of Food and Agriculture, he was the former assemblyman and senator--his name escapes me--but he was into horse racing and so we saw a horse called Confirmation King. He said, "You have got to bet on that one." It finished last. Everybody was kidding me about that.

SENEY: [Laughter]

FRANCHETTI: That was a kicker. We got a real laugh out of that. But anyway, so there were lots of different things you could do if you were in a time when things were quiet, you might just

¹State Race Track Leasing Commission is the legal name.

do more of it. But when things were busy, there just wasn't the time.

SENEY: And you would have someone on the staff . . .

FRANCHETTI: . . . You'd have someone who would follow that issue who could go and vote for you. I mean it wasn't like you needed to personally be there unless you wanted to be there.

SENEY: Right. Let's talk a little bit about the fiscal situation in the state, beginning with Proposition 13.¹

FRANCHETTI: Well, the state government, you know, in 1978 had a large surplus. It was collecting more revenues than it was spending. Local governments were all pretty fat and happy too because they had very good property tax base. When Proposition 13 passed, state government decided to subsidize local government by using its surplus. That was known as A.B. 8,² Assembly Bill 8 and that's how it's been known from then until now. That was basically money that the state would generate and would send to local governments to replace the lost property tax.

¹June, 1978.

²A.B. 8, 1977-78 Reg. Sess., Cal Stat., ch. 673 (1977)

SENEY: Was that a good idea, do you think?

FRANCHETTI: No, it wasn't. It might have been good for a year or two, but what ultimately postponed the final day of reckoning until just this last year or two. All of a sudden libraries don't have any money any more because there's no more A.B. 8 money. It was all taken to balance the state budget. So in that context that decision probably was a bad one. Something else should have been done to adjust the local governments to a reduced role which is what they ultimately did anyway. So pretty soon local governments were just totally dependent on the state for a good part of their funding. They aren't now, but they are in very serious trouble. So Prop 13 has undermined the ability of local governments to really function. They have had very hard time. It isn't as bad now as it might have been because there has been an increase in property value so they are generating more tax money, but it still limits their ability to really fund programs.

California has run into two problems. One is that population of people who depend on state services has substantially risen.

And secondly, the state economy has just gone in the tank, and it's not just a matter of recession. It's a matter of the end of the Cold War. I mean tens of thousands, hundreds of thousands of jobs are being lost. We were always artificially kept up above other states because we had such a defense industry, which didn't honestly deal with the real realities of the economy. That's all gone.

I think also the Prop 98,¹ mandating that certain funds go to schools has been a problem. Given this lack of local funds, lack of state funds, there is a lack of flexibility on the part of the budget makers to make the adjustments that they have to make. So that combination of things, I think, has led to this problem.

SENEY: Would you describe the A.B. 8 money as sort of a new entitlement almost?

FRANCHETTI: Sort of. Yes, it was basically a subsidy to replace the lost property tax money. And little by little it was taken away. This

¹Proposition 98, November 1988.

year Wilson's budget took virtually every bit away. But it was money that local governments used and built on, but never quite had enough. Basically they used it as a substitute for making the adjustments they needed to make due to the Proposition 13 tax change. Probably had it not gone to local government, Prop 13 might have been repealed and probably that's what people should have done. They should have had to bite the bullet and do it. Instead they went ahead and let it happen all these years. Of course, there was a lot of money available too. So it wasn't as if they were in bad budget times.

So I think that whole local government mess isn't worked out yet. I talk to the local government people now, the [County] Supervisor's Association people and others. Even with this half cent sales tax, they are just postponing the inevitable. They don't have the money to provide the services and at some point, we are going to have to have a major change. Whether it's whittled away, whether Prop 13 gets nickled and dimed away or whether based on law enforcement, for

example, there's some massive repeal of 13, I don't really know but that's going to have to happen. It was a bad law. The other thing about Proposition 13 was that it took care of the problem of people's homes being overassessed, so they were paying taxes on values that they would never realize because they would never sell their house, which was very unfair. And that was the whole reason it passed, as far as I'm concerned.

SENEY: And the U.S. Supreme Court has upheld it. . .

FRANCHETTI: . . . Yes, yes, even though it has different tax rates and so on. But I think ultimately that's going to have to be changed because local governments have to function. In the city of Eureka, which is a city of about thirty thousand people, at night there is one law enforcement officer on duty. That's it. One person. That's true in a lot of places. Anaheim Hills in the city of Anaheim, which is a nice area down there, it's the same thing. They have enough money for one cop that drives around, I guess, whatever they do, and that's it. During certain times. And these are the kinds of things that scare people. The other stuff people don't care

about. But police, fire, things of that nature, I think, will ultimately lead to a decision by a lot of people to change that in some manner.

SENEY: Well, there is very little flexibility in what the governor can do.

FRANCHETTI: Yes.

SENEY: You mentioned Prop 98, I think one might suggest that the prison funds would . . .

FRANCHETTI: . . . Right. If you look at the budget, the fellow that resigned recently as director of Finance, he was the state treasurer . . .

SENEY: . . . Tom Hayes . . .

FRANCHETTI: . . . Tom Hayes, very nice fellow and a smart man. He used to have a little chart that he'd carry around with him. He'd say, "Here's the budget. X amount is required to go to education. X amount goes to prisons. X amount goes to health and welfare." A little tiny amount is state operations really. He said, "Where do you want me to cut? I can't cut here. You want to let guys out of prison." Of course, they'd always focus on health and welfare but even some of that was covered by laws as entitlement, and so on. So the people doing the budget really

have very little flexibility; how many lawyers there are in state government, that's within the purview. But not on the big issues of how much money do we spend on schools. Are we going to have more prisons or not? How much money are we going to spend on it? They really don't have a lot of control over it. So the discretion to deal with the budget is very, very narrow.

SENEY: How would you evaluate the rise in the prison population in the last ten years?

FRANCHETTI: Well, it's been enormous, of course. It was an intentional thing.

SENEY: Right.

FRANCHETTI: These things all go around. They are cyclic. When I was working with Evelle Younger, we had the indeterminate sentence law in California. I think we had maybe twenty thousand in prison. Twenty thousand to thirty thousand would be the range and the way the parole board worked was rather simple. When the prison got too full, they let people out. That's what they did. You know, they'd pick ones that were less dangerous, they hoped, and they'd let them out. Of course, law enforcement people

complained about that, the same complaints that we are getting now. This young girl that was murdered over in Sonoma by this guy that got out. That could have been a replay of a murder twenty or thirty years ago; the same complaints, the guy got out, he did all these things. So two things occurred. We went to a determinate sentencing law. The determinate sentencing law was sponsored by the prisoners' union and by the ACLU [American Civil Liberties Union] and by Jerry Brown. The reason was the prisoners were saying, "We don't know when we're going to get out. We want to know when we're going to get out." So those of us that were lobbying in law enforcement got together and said, "What are we going to do about this?"

[End Tape 7, Side B]

[Begin Tape 8, Side A]

FRANCHETTI: The determinate sentencing law, we decided, "Look if this law passes the only thing that is going to happen is that sentences will get longer . . .

SENEY: . . . That's what has happened today.

FRANCHETTI: Oh, absolutely right. So we didn't really oppose it. It went through. Sentences were

FRANCHETTI: fairly short. But within a few years, they got longer and longer and longer. Judges were not putting people in prison for using firearms or certain drug sales. We passed laws that had mandatory sentencing. So what we have now are prison sentences that are much longer than they used to be, a much broader range of prison sentences. All sorts of crimes are now included, and you go to prison for a long time. Sure, you get good time credits, but you're still going in there, and the prison population is enormous. It's a growth business in California; there is an enormous prison population. Has it reduced crime? The thought was that, and there seemed to be logic to it, the most violent criminals are young people in their teens through their late twenties. Once they get much past that we all mellow out and even the violent people become less violent. So the thought was lock them up. They won't be on the street, and we should have a reduction in the crime rate. And there has been some actually. Although we are very upset about crime, there has been a leveling. Some people have claimed that's because we went

through a population boom and then an aging population which would do it anyway, and now we are getting another boom. They talk about these peaks and valleys of youth, that that is the key to crime. I don't know, there may be some validity to it but it is not the whole answer. But any rate, I've become convinced that we can't fiscally do this anymore. This initiative that's going around . . .

SENEY: . . . Three strikes and you're out . . .

FRANCHETTI: . . . That's going to qualify. They're going to put it on the ballot. The first time the person goes to prison for X years, the second time their sentence is doubled, and the third time they're kept forever. Well, maybe it's a good thing but what are you going to do with these people? How long are you going to keep them? And so that's not the answer. The prison has been an enormous drain on the state, and it's going to be much worse and cost an enormous amount of money. And I'm not sure it's achieved a great deal. It's put a lot of people in prison.

SENEY: From a fiscal point of view, it's not something you can reduce.

FRANCHETTI: In the university system, you can cut down the number of people that you put in through fees or whatever. In the prison, we just keep going, and these guys want to put people away longer and longer. I'm not sure we achieve a lot by doing that. Obviously, if that one man who killed that little girl had been in prison that wouldn't have happened. There are really bad people around. There is a certain amount of this violence that we're going to face.

SENEY: And if the money is spent at the back end, punishing them, some people think there won't be money closer up to find them in the schools and work with them.

FRANCHETTI: There's the two extremes. There's the total punishment, total prevention rehabilitation. There's some people who are bad people. There's nothing you can do for them. But I think we've gone to one extreme. That's all the result of very concentrated efforts that started in the mid-seventies, and now it really reached its peak. At the moment, I don't see it changing. That's the easiest answer to crime, to put more people in jail. But I don't really believe in my heart that's

the answer. I think it's who you put in jail and then what other situations you try to deal with.

SENEY: In the sense we're talking about here, it really is a fiscal issue . . .

FRANCHETTI: . . . Oh, sure . . .

SENEY: . . . It's an entitlement program really and an irreducible one.

FRANCHETTI: It's very costly. It's an enormous part of the state budget. I'd say education is close to half, and I think maybe prisons are about a third.

SENEY: Well, they're up as high, I think, now as higher education.

FRANCHETTI: Yes, it's a big chunk of it. It's a big chunk of the budget. It's a major budget issue. It didn't used to be but it is now.

SENEY: This is something certainly that Governor Deukmejian is in part responsible for.

FRANCHETTI: He felt very strongly about it. It was a policy that he implemented. He was very strongly in favor of prison construction. He believed in this philosophy. It's one of the things that he fought for for a long time.

SENEY: Has he had any second thoughts, do you know?

FRANCHETTI: I don't know. I haven't talked to him about it for years. But my assumption is, no, he probably hasn't. He believes very strongly in it.

SENEY: Do you ever see him, by the way?

FRANCHETTI: Very seldom. Once in a while. I spoke to him a couple of months ago on the phone. Occasionally I'll bump into him but . . .

SENEY: . . . What would bring you together?

FRANCHETTI: Oh, by chance, it might be at some event or occasionally he'll call me and ask me something; somebody will call and ask him about something that happened, and he'll call me and see if I remember what the thing was about and that sort of thing. But we rarely see each other.

SENEY: Your relationship essentially was a professional relationship.

FRANCHETTI: That's right, that's right.

SENEY: How would you assess Governor Deukmejian's governorship?

FRANCHETTI: Well, I think he did some very positive things. And he doesn't get credit for all of them. We mentioned this when we were chatting before we were on the record here. He really saved the university system and the

state university system. In 1982 Brown had just gutted it. In '82 there wasn't any money for it. George made a conscious choice to really shift monies around, primarily focusing on things like salaries. We were convinced that if we continued to give low salaries, we were going to lose the good professors and the good people. At that point with the UC [University of California] [President] Dr. David Gardner came in, and despite leaving under a cloud, he did a lot for the UC system. We trusted him, and we basically said to him, "Look, we can only do so much for you this year. Don't criticize us. Don't attack us. Go along with us and over a period of time we'll make it right." And he did that and it worked for UC. Then the state university system, there was a woman who was the chancellor . . .

SENEY: . . . [W. Ann] Reynolds . . .

FRANCHETTI: . . . Chancellor Ann Reynolds. She did some of that. She was a little critical, but she worked reasonably well with us. Of course, she left under a cloud also. But the real person I remember the most of the two was Gardner who came in sometime in '83, and made

a real effort to work with us. He realized that George was very pro-education and very much wanted to have the system survive. He told us what was needed, and he got the backing all along and always did.

SENEY: He did leave under a cloud and it may have obscured his abilities . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . You apparently think quite highly of him . . .

FRANCHETTI: . . . I do. I think the UC system . . .

SENEY: . . . Tell me about him. What was so impressive about him?

FRANCHETTI: I guess it was that he was sophisticated enough in the time I dealt with him to not allow himself to succumb to the attacks on the governor, saying, "Oh, you're cutting. You're ruining everything." But to say, "I understand you guys have got a problem. I have a problem. How can we sit down and work it out in a way where we all win?" Most other people could not understand that. County people couldn't understand that. I would tell those people so many times, "Look, we're not out here to screw you. We just don't have the money. All we can do is this.

If you work with us, we'll work with you, and we'll work it out. If you don't, then to hell with you. Why should we do it." Many of them could not understand that. And they burned bridges in that first year that they probably never were able to repair or took many years to repair. Whereas Gardner came in--the fellow who had the job before him had been there for a number of years, I can't think of his name, and he was there when Brown was there--he just came after us and was passing the buck to the governor and so on. We were glad to see him leave. When Gardner came in, it was like a breath of fresh air. This calm guy saying, "OK, I understand." And we'd say, "What do you need? What's your biggest problem?" "Salaries, I'm losing my people." So we tried to find monies in that very tight budget to keep the salaries up. That was how the system worked. I'm sure it worked years afterwards that way also because the people got a lot of support.

SENEY: Personality is a factor in this.

FRANCHETTI: It is. Personality is a factor, and he was a very calm, nice person to talk to,

understanding, a sharp guy; he gave you that impression. So my dealings with him were that I thought he was very good. I was sorry to see that he left under a cloud with all the things that occurred. He got blamed for things, maybe they were true, I don't know but it's too bad that the good things he did were not remembered which they should have been.

SENEY: He'll be remembered for that [the problems] .
. . .

FRANCHETTI: . . . For that. That's right. And Reynolds to a lesser extent went along also, but not as much. She would take a few shots. It was kind of like the agency secretaries. They want to go back and say, "I tried, guys. The SOBs wouldn't let me do it." Whereas Gardner was willing to take the heat with his people saying, "This is what I agreed to and this is what we're going to do, and I'm not going to criticize anybody. I'm going to be a team player."

SENEY: In terms of other things that Governor Deukmejian did, what can you point to besides the university system?

FRANCHETTI: Well, I think the prison program. Some may agree with me that that was a major achievement because he fought and made sure they built a lot of prisons. I think he had a lot of other goals I don't really think he achieved. He had goals in the environment. He changed the environmental orientation of the state.

SENEY: In what way?

FRANCHETTI: Well, by, I think reducing the more extreme environmental activities of state agencies. The idea was to allow more growth and so on. That was a goal he tried to achieve. Well, let's look at health and welfare. He got a work fair program that was thought would help reduce the welfare burden. I'm not sure that it worked the way it was supposed to but that certainly would be an achievement that he could look to.

SENEY: But that came in the face of a lot of demographic changes.

FRANCHETTI: Yes, yes.

SENEY: It may not have been his fault.

FRANCHETTI: That's right but that was a big project. But I think probably the biggest thing that he did--unfortunately it fell apart in the end--

was the budget and the state finances. That became an all consuming project, at least the first year, year and a half. And that's a killer for any new administration. That's why Wilson's had a problem too. The time you can get programs and say what you want to do is that first year or so. That's a time when you should be able to go in and say, "Here's what I stand for and so on." If you are consumed in a bitter budget fight, which is what we were, you lose all that time, and I don't think you ever really get back on track. Personally, I believe that that stopped him from doing other things that he may have been interested in doing and just never got to do. Or tried later but they were not very successful because it was too close to an election or whatever.

SENEY: And then there was something else you alluded to earlier, and that is when you said he lost faith in the Finance Department because it's estimates were not reliable. There were years when there would be shortfalls . . .

FRANCHETTI: . . . Yes. People missed . . .

SENEY: . . . And then there would be more money to give to the schools . . .

FRANCHETTI: . . . What happened was--it was a lesson learned--every year when there is a major change in federal tax law, which occurred in the year you're talking about, there is an incentive to either accrue income prior to the adoption of the tax law or accrue it afterwards, depending on how the tax law works. In whatever year it was, '89 law, I think it was when they had that problem. Was it '89?

SENEY: '86 was one of the years.

FRANCHETTI: OK. Whatever year it was. Whenever there had been a major change in the tax law, Finance people didn't appreciate that that was going to cause a lot of people to quickly sell things and generate income to report in the year before. So all of a sudden they got an enormous surplus for that year that they would not have normally gotten. They didn't know what to do with it. That's when they gave the money back. Well, it's like a wave. The wave came up and when the wave goes out, the beach is empty, right? That was really money that had there been no tax change would have been generated during the following year. So one year they had enormous surplus

because everybody sold stocks or whatever and paid extra taxes to avoid higher taxes the following year, and they failed to make an adjustment that that money had already been reported. When they looked at it afterwards and talked to somebody who was there when the last tax change happened, somebody said, "Oh yeah, that's the same thing that happened to us ten years ago." So there was a failure there to understand.

SENEY: The governor gave back that surplus.

FRANCHETTI: Well, they had this big surplus. First they thought they were going to have a shortfall, then they had an enormous surplus. They were all so happy about it, and the next year they had a shortfall. That's when they began to really go into the tank.

SENEY: And by the time they woke up to this . . .

FRANCHETTI: . . . It was too late. The money was gone. So that's what essentially happened. The other thing that occurred--and it's very difficult not to do this--is they kept spending all the money they were getting. They fell into the same trap that everybody falls into; they would see how much money they would have to spend, and then they'd

write a budget that would spend it all. That works in good economic times because your revenues keep coming up. But when your revenues drop, you're stuck with these higher expenditure levels, now you have got to do something about. You either have to raise taxes, which some people don't want to do, which Wilson tried, or you've got to do something that will put you in a terrible bind. I don't know how you really deal with that all the time but . . .

SENEY: . . . But Mr. Deukmejian wanted these surpluses, I think the first year was nine million dollars . . .

FRANCHETTI: . . . Yes, we had a rainy day fund. That was known as a prudent reserve. [Laughter]

SENEY: That's right. That's right. And it was a prudent reserve.

FRANCHETTI: Yes, it was, it was. It was a prudent reserve. I'm just saying that the problem was that there was not the planning to keep expenditures at a lower level. They spent the money that came in and even though they had a reserve, the reserve wasn't enough to handle the kind of dollar shifts [that might come up]. So there were just a lot of things

that happened that caused problems. But really if you look at his first year, his first term even through '86, his big thing was from IOU to A-OK. The big thing that he did was turning the state around, and it's too bad that in the second term, it went back in the tank.

SENEY: And some of that was his fault. Some of it wasn't.

FRANCHETTI: Just circumstances.

SENEY: He inherited a bad situation, but by '84, '85 the economy had picked up and there was some money . . .

FRANCHETTI: . . . Sure. That's it, that's right. The extra funds came back in. What we did with our plan in '82-'83 was that we anticipated properly what the economy was going to do. It was either good guessing, or we were very smart. We anticipated it, and it went exactly the way we thought it was going to go. The revenues came in, and we paid off those things. The trigger tax didn't have to be used, and the state was in pretty darn good shape. And I was always kind of sorry I wasn't there for the '84 year because that was a piece of cake. Everything kind of went

along, everything was working. And people could do other things besides fight. It was that our timing was exactly correct, and we recognized that forecasting is usually three or four months off. When you're reporting on what's happening in December in the fourth quarter, you are really reporting what happened some time before and the world's changed. It all came together very, very well. Our forecast, our revenue estimates, our economic estimates all worked beautifully. That's why it was so easy. It was kind of a piece of cake once we got it going.

SENEY: I've wondered sometimes how Mr. Wilson's people must have felt since they inherited the fiscal situation.

FRANCHETTI: They were not very happy. In fact, the Wilson people, I believe and no one's ever told me to my face but I'm aware of conversations people have had with others, were very down on Deukmejian; they felt they'd been screwed basically. They felt he should have handled that problem because they were on his side, the same party. Why hand us this problem? Many of the Deukmejian

people have not fared very well with the Wilson people. They removed them. A few stayed, but very few, really, when you look at it. But the Wilson people and the Deukmejian people were never the same people anyway. They were two different camps of people. People with different leaders. So it wasn't as if a deputy to Deukmejian took over. It was a different circle of people.

SENEY: Wilson must have some days with a sense of doom, of foreboding.

FRANCHETTI: Look at all the bad things that have happened. He has had a rough first term.

SENEY: He's not looked upon as likely to succeed himself.

FRANCHETTI: No. That's right.

SENEY: This would be the first time since [Governor] Culbert Olson was defeated for re-election in 1942 if he is in fact defeated.

FRANCHETTI; [Governor] Goodwin Knight lost, but Goodwin Knight was lieutenant governor and became governor when [Governor Earl] Warren went to the supreme court.

SENEY: But Goodwin Knight was not running for re-election. He lost running for senate.

FRANCHETTI: Oh, that's right. They switched around and then [U.S. Senator William F.] Knowland ran for governor. That's right . . .

SENEY: . . . Knowland lost. They both lost . . .

FRANCHETTI: . . . That's right. That's right. Exactly. That's true. Wilson has, I think, got a very difficult time.

SENEY Are you active at all in these things?

FRANCHETTI: No, occasionally . . .

SENEY: . . . Is that at all incompatible with what you do now?

FRANCHETTI: No, it isn't. There are people who are lobbyists who are very active in campaigns. I just haven't gotten into them. I've been active in some local politics and that sort of thing.

SENEY: What sort of things?

FRANCHETTI: City issues over in Sausalito and county issues and county Republican issues. But I've not been active in the statewide campaigns. Part of the reason is they don't want me. It's nothing, perhaps, against me. It's that there's a group of people that are involved in these things. You kind of have a choice. You can go give money to them, and they'll take your money. I've decided that I

don't do a lot of that any more either unless I really have somebody that I personally know who wants something. Basically, everybody has their group of people that run their campaigns and so on, and if you're not part of that group, it's very hard to break into it. There really isn't a role for people like me. But for me to go in and be an adviser to Wilson, I'm not one of the people that's close to him.

SENEY: You don't care.

FRANCHETTI: Well, there's not much you can do about it.

SENEY: Would you like to? Would you like to be involved again?

FRANCHETTI: I have thought of it. But it . . .

SENEY: . . . Thoughts come to you increasingly frequently . . .

FRANCHETTI: . . . Not increasingly. But there are things that I could advise people to do very, very well, but it doesn't bother me that I'm not . . .

SENEY: . . . Any ambition for office yourself? . . .

FRANCHETTI: . . . I think I've learned a lot . . .

SENEY: . . . You're fifty years old, am I right?

FRANCHETTI: Well, yes. Fifty-one actually. Oh, I've been approached occasionally to run for

office, and at one time I would have liked to have done it. And I might still consider it some day, speaking purely in the abstract. However, you need to have a certain fire in your belly to do it. Right now I've been focused on what I've been doing here. I'm looking forward to a day when I might be able to take a year off, go to school, or do something. Do some study or just relax, and running for office does not really appeal to me at the moment. So it may never happen.

SENEY: Tell me about Franchetti and Franchetti. This starts out as soon as you leave in January of '84.

FRANCHETTI: Tiffany [Franchetti] is a lawyer.

SENEY: She was a lawyer at this time.

FRANCHETTI: Oh, yes. Oh, yes. Oh, sure. She was an attorney. I met her when I was chief deputy attorney general. She had been hired as a deputy attorney general, and we got to know each other. We were married in '81, so I was still chief deputy attorney general when we were married. Probably today it would be sexual harassment. I'd have all kinds of problems. I've laughed about it. At that

point, candidly, I just didn't have any money. I was divorced and had children.

SENEY: How many children do you have?

FRANCHETTI: Two. I have a son and daughter.

SENEY: Do you and Tiffany Franchetti have children?

FRANCHETTI: No, no. But I had those obligations. I sold the house and so on.

SENEY: You'd been a public employee all your . . .

FRANCHETTI: . . . I'd been a public employee all my career. So the thought became, "Look, there's got to be some time to go out to try to make a little money and see if we can do it." So Tiffany was very interested in doing that. We began thinking that when the Deukmejian attorney generalship ended that would be the time to do it. I discussed with you earlier the decision to go on. She had actually left government in the fall of '83 to begin handling a case that had come to her that she was working on. So we were kind of semi-planning to go at some point whether it would have been in January . . .

SENEY: . . . Am I right in understanding she was kind of in personal injury law to begin with?

FRANCHETTI: She is a trial attorney, yes. She was doing trial work, and she still does trial work.

So we were basically in a situation where at some point I was going to leave. So we had a lot of plans set, and it was clear I wasn't going to be on there much longer. We decided to just go ahead. We lived in Sausalito so we opened an office in One Market Plaza in San Francisco. We rented some space and bought this desk. And Tiffany got a desk, the only expensive stuff we bought at the time.

SENEY: It is a beautiful desk.

FRANCHETTI: It is. It was a thought that we could make some money.

SENEY: How did it go when you hung up your shingle?

FRANCHETTI: Well, we . . .

SENEY: Tell me about how you start a practice like that.

FRANCHETTI: I had always wondered . . .

SENEY: . . . You had a nice send-off from the governor's office.

FRANCHETTI: Yes, yes, yes. Although I didn't immediately get any business from that that I could tell, but perhaps I did; I just didn't know about it. It's pretty scary when you're doing it because you just go out and you obligate yourself for a line of credit to pay your

rent and hire a secretary. You just sit there. You open the doors one day, you send letters to people, and so on. We eventually had two early clients that were very helpful, and then they began coming in on a more regular basis.

SENEY: How do you mean "were helpful?"

FRANCHETTI: Well, they started us going in the sense that people came to us, more from the revenue side of it. One of them was Mobile Oil Corporation, which is still a client of mine. They called and they were interested in a tax issue and hired me as sort of a consultant. It was a very high paying job and that helped.

SENEY: When you say "they hired" you, was this a lobbyist job?

FRANCHETTI: It was a lobbying type job, yes. But with less lobbying and more advising them how to deal with this issue. It was on the unitary tax. It's still going on. It's an issue that goes on forever.

SENEY: Do you still work with them?

FRANCHETTI: I still do work on that issue.

SENEY: When you say high paying--obviously I'm not going to ask you to look at your tax returns--

-but would you bill more for something like this than you would for straight legal work?

FRANCHETTI: Yes, and I generally bill a flat fee.

SENEY: Why would you do that?

FRANCHETTI: Well, it's hard even to compare them because for the most part, legal work we do on an hourly basis. And this work I do on a fee basis. The reason is that a legal project really involves putting in time. You do research, you appear in court and so on. A lobbying project may involve getting something done, and that may take you a fairly short period of time to do but your value to it is not commensurate with your time. In a way, you put your time in all those years you worked in government, getting to know people, understanding people . . .

SENEY: . . . Your contacts . . .

FRANCHETTI: . . . Your contacts, your knowledge. Maybe it just takes a few phone calls to resolve a problem but if you were to bill for it, you would bill for two hours of work when it was really a project they made so much off of that they should pay you more.

SENEY: My students have asked me this about lobbying . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . How do lobbyists charge, and I have to tell them I have no idea.

FRANCHETTI: Everybody has their own criteria and very few ever charge by the hour for that reason. The flip side is you can be in a hearing room for five days and be billing enormous fees and never do anything. I think lobbyists look at the difficulty of the work, the amount of money the client has, is it a big company? How desperate the client is, how much do they really need this? What's involved for the client? Is this a life and death issue or is it something that's a little less important to them, where if they don't make it, they are not as concerned?

SENEY: When Mobile came to you, how did you know how much to charge?

FRANCHETTI: I just made up a number.

SENEY: And they said, "OK."

FRANCHETTI: Yes.

SENEY: And you said, "Oh, OK."

FRANCHETTI: And I said, "Great," yes.

SENEY: [Laughter]

FRANCHETTI: Actually, I think the first couple of weeks I did charge them an hourly basis. They sent

me to a couple of meetings, and then I knew what they wanted. The other thing that we did was we sent out letters to all the general counsels for all the corporations that we could find. And one of them responded and wanted us to represent them on a wine marketing order. Heublein wines hired us, pure legal [work]. But they liked the fact that we had been in the AG's office. We spent a good part of the summer and the fall of '84 here in Sacramento arguing over marketing orders, which are designed to assess vintners' money to advertise California wine and so on. And that was a big case for us. We got to know a lot of people.

SENEY: The winery wanted to pay less, I take it?

FRANCHETTI: They didn't want to pay anything, and they were trying to impose, basically, a surcharge on them.

SENEY: And were you able to succeed?

FRANCHETTI: We lost, but we put up a good fight. We lost at the Department of Agriculture level because a bunch of other wineries wanted [this]. And then we went to court and came

close to winning. Then everybody kind of settled the issue.

SENEY: This was good for you in the sense that it got you known.

FRANCHETTI: Yes, I think it was good for us. By that time, we started getting some other clients. People started calling and say, "Gee, can you help me with this issue?" Then it became increasingly a lobbying business. People had the perception that I was close to Deukmejian. At that point I began getting clients who thought I could do something for them because I had influence . . .

[End Tape 8, Side A]

[Begin Tape 8, Side B]

SENEY: You say they hired you because they thought you had influence. That's exactly why you're hired?

FRANCHETTI: That's right.

SENEY: Because you know the people, and you know your way around.

FRANCHETTI: Well, I think in the beginning they thought I could just pick up the phone and call the governor and get it done.

SENEY: And you didn't disabuse them of that.

FRANCHETTI: No. But I never did it either. I'd go out and do it the way I do it now.

SENEY: Did you ever call him and ask him for anything?

FRANCHETTI: I think in the seven years that he was governor and I was in the private sector, I may have held three meetings with him on issues. Once on a tax issue and once on a school issue dealing with a retirement thing where some other people who knew him, too, were there, and I may have talked to him one other time on something. But I intentionally didn't do that.

SENEY: Did he mind your calling?

FRANCHETTI: Probably not. But I never pushed it. I just made a decision. I knew enough other people that I could represent a client by talking to other people. I just felt very awkward putting him on the spot by coming to him. And so I seldom, if ever, did that.

SENEY: Your lobbying has a lot to do with administrative agencies.

FRANCHETTI: It generally has. Yes, generally.

SENEY: Are many other people doing what you're doing?

FRANCHETTI: There are some. Sure. A lot of people do both, legislative and administrative lobbying. But I basically have tried to focus on that. I didn't always do it, but I still do mainly that.

SENEY: Can you give me a sense of what would maybe be a typical kind of thing you would handle to illustrate this?

FRANCHETTI: Sure, something that we used to handle, a lot of [us] were working to have drugs put on the Medi-Cal drug formulary. That's no longer a big issue because the law's been changed. But for many years--and this was a very lucrative business for us--if you were Eli Lilly, for example, and you wanted to have Medi-Caid Medi-Care, Medi-Cal patients be able to use a particular drug of yours, you would have to go to the State Department of Health and Welfare, and get approval. They had to put you on an authorized list of medications that could be prescribed for Medi-Cal patients. Well, it's worth an enormous amount of money. So we had, especially when Dave Swoap became my partner, at one time or another every major

pharmaceutical company in the country on issues like that.

SENEY: And you knew how to fill out the paper work and who to contact . . .

FRANCHETTI: . . . We knew how to prepare the arguments. The key there was knowing what the state was looking for to make them favorably view this particular drug or why they would not favorably view it. Basically, we would look at this issue and say, "Well, how much money can you save by using this drug that cures somebody in one day rather than three days," which was the kind of argument that might be made. And then we would be able to develop for them a cost savings argument which when we could go in and say, "Put this on formulary and doctors use it, you are going to have patients not go to the hospital because they'll be cured in one day and you're going to save X dollars," even though the state would not buy all the argument, very often they would understand the logic of it, and the client would get on. And the flip side was sometimes people would hire you to keep somebody off, and you'd do the other side.

SENEY: You mean I might hire you to keep . . .

FRANCHETTI: . . . To keep Eli Lily off because I don't want you competing with me on the drug.

SENEY: [Laughter]

FRANCHETTI: [Laughter] It was whose ox is being gored thing. And I did a lot of that.

SENEY: I would take it that that would be fairly lucrative for you.

FRANCHETTI: It was, yes.

SENEY: Did you have a kind of flat fee what that would cost?

FRANCHETTI: It would vary. Again we would come in with what we thought the client [would pay], what the thing was worth, and it would vary with each case. Each issue may vary. I mean it just depends what you could do for them. A lot of times, if we didn't think we could do it, we wouldn't do it. If somebody really . . .

SENEY: . . . It's your reputation . . .

FRANCHETTI: . . . Yes. We'd just tell them, "We don't think we can do it." But it would vary, and there were times I've done lobbying for free. I help people do stuff. We did lobbying for battered women recently, for example.

SENEY: What did you do on that?

FRANCHETTI: Tiffany prepared a bill to assist battered women in defending against charges that they had murdered a battering husband. Or it could be vice versa, it was primarily . . .

SENEY: Is this an interest of your wife's?

FRANCHETTI: Yes. We organized a lobbying team here, some top lobbyists. We lobbied the bill. It's still active.

SENEY: What would it have cost them if they had been charged?

FRANCHETTI: A couple of hundred thousand dollars by the time they got . . .

SENEY: . . . Is that right?

FRANCHETTI: So those kind of things we have done also but basically fixing fees is sort of an art. You've got to sort of think what the client will pay. If they come in and agree right away, you always wonder if you charged enough. Generally, they will argue with you.

SENEY: Do they argue about the fee?

FRANCHETTI: Many of them will, sure. And that's fine. A lot of times you ask for a little bit more, knowing that you're going to take some off. There is no set criteria for it. Law is easier. You can estimate how many hours you

think you'll put in on this and say, "This is what it's going to cost."

SENEY: Well, I know you share a suite of offices with a well known lobbyist.

FRANCHETTI: That's right.

SENEY: Do you ever chat about what fees are?

FRANCHETTI: Well, sometimes. I'd say for major lobbying projects people might charge a hundred thousand dollars. I wouldn't because I wouldn't do that, that would be legislation with teams of people.

SENEY: What would you say a major lobbying project, would this be say something . . .

FRANCHETTI: . . . Passage of a well-known, very controversial piece of legislation . . .

SENEY: . . . Workman's Compensation legislation, maybe . . .

FRANCHETTI: . . . That could be, sure. \$100,000, \$150,000 might be a top fee, I think. I'm just guessing. I'm looking at what people get paid. There are reports every quarter on what people have been paid.

SENEY: You do have to report this, do you not?

FRANCHETTI: Yes and anything that's lobby . . .

SENEY: . . . If I was curious, couldn't I go to Legi-Tech and put Michael Franchetti in . . .

FRANCHETTI: . . . Absolutely, you can find out exactly what revenue I've had this year or prior years. It is all public record. So you can get an idea . . .

SENEY: . . . Do you have a problem with that, having to put that down as public record.

FRANCHETTI: No, it has never bothered me. But it's the law. There's nothing you can do about it. Of course, that's only revenue from lobbying. If I do consulting, it's not lobbying. Then I don't have to report that.

SENEY: Are you practicing law too?

FRANCHETTI: Oh, I practice law.

SENEY: What percentage of what you do would you say is lobbying, consulting, and practicing the law?

FRANCHETTI: I'd say probably the lobbying is 50 percent and consulting and law are 25 percent each. Consulting is on the fringe of lobbying but I'm not actually advocating things. I'm advising people on how to deal with issues. Or I'm working on contract issues which are not lobbying where I'm assisting them in preparing a bid and how to respond when they win or lose.

SENEY: This is something you mentioned to me before. Tell me about that. What does that entail?

FRANCHETTI: Well, there are these very lucrative contracts that are available, say for selling a computer to the state. There might be three or four vendors who are competing. The vendor might hire me to work with their people to first give them an assessment of what chance they have given the economic situation, who the people are in the government they'll be dealing with, and what I think the competition is going to do. Then I assist them in preparing their presentation or their proposal, and to assist them in post award matters, whether it's a protest, whether it's going to the legislature and complaining they didn't get it, talking to officials who think it's not fair. That type of project. It varies with each contract, but I've done a lot of those over the years. It's a little bit legal, but it's more of a consulting thing, assisting them, making sure that they cover all the bases and that they understand what they're doing. If there's an attack on them from the legislature, they can respond to that. If something's being done

that we think is being done to favor one or another vendor, we'll go complain to somebody in an agency; we'll say this is what's happening and try to show what's wrong with it and try to get it changed and so on.

SENEY: Is this pretty specialized, are many other people working in this field?

FRANCHETTI: A few. But it really is somewhat specialized.

SENEY: You must all know each other and appear on one side or the other side.

FRANCHETTI: That's right. There are people around who do that. And many people do it and do other things too. Also I do some legislative lobbying also occasionally. But this is an area I've done a lot in, and I have some long term clients that have been around for years. They just keep me on because they've got the contract, and I advise them on what needs to be done.

SENEY: And they want to keep or expand it . . .

FRANCHETTI: . . . They want to keep it or it's going to be re-bid and they want to get ready, that's right.

SENEY: I think the public at large is very wary of lobbyists . . .

FRANCHETTI: . . . Sure . . .

SENEY: . . . I don't know how you introduce yourself
. . .

FRANCHETTI: [Laughter]

SENEY: . . . Maybe lawyer. I doubt that lobbyist is
the first thing you say to people out in the
general public. Political scientist
appreciate it as . . .

FRANCHETTI: . . . Right . . .

SENEY: . . . An important part of the
representational system. One of the problems
is some can afford lobbyists . . .

FRANCHETTI: . . . Sure, exactly . . .

SENEY: . . . And others can't, but that's another
matter. Just recently in the press, though,
the public's fears and anxieties have kind of
been played to. A very prominent, a very
powerful lobbyist, Mr. Clay Jackson has just
been convicted of wrong doing. Were you
surprised by that conviction?

FRANCHETTI: No. I actually wasn't . . .

SENEY: . . . You must have known Mr. Jackson . . .

FRANCHETTI: . . . I know him. I didn't know he violated
the law. I mean I didn't know beforehand,
but I wasn't surprised that he was convicted
for a couple of reasons. One is that I think

FRANCHETTI: it's very difficult for people not to be convicted when they are accused of these crimes in Sacramento. Maybe anywhere because of this bad perception. And Clay Jackson, of course, looks like a guy who would be crooked anyway. Unfortunately for him, he looks like a lobbyist. I think that's unfortunate for him. But I think the other thing is that what everybody is focused on is exactly correct. I'm not surprised that this has happened, and I'm sure it's happened in many other cases. People just don't know about it. The system is totally. . . . The people who are making policy decisions are asking the people who are asking them to make a decision, for money. And that's not a good system. There's a problem there. I'm sure it's true everywhere. It was especially not unusual a few years ago--I don't do it anymore, but I did it and I'm sure other people still do it--where when a client would hire me and we would need a political budget because we've got to give so much money to so and so. The people hiring me would understand that that was to assist them in getting their bill through. Face it, there

was maybe nothing illegal about it, but they weren't giving because they cared about the legislation. They were giving it because it was perceived as a way of obtaining some access or maybe having someone respond better to you. The big lobbyists don't get their influence just from any particular client's contributions. They get it from the sum total of the contributions. We talked about Bernie Teitlebaum who was an excellent lobbyist. This was his approach to it. He would not take a client who would not contribute money to candidates, pursuant to his guidance because he used to say, "When I walk in the door, I represent, whatever it is, a million dollars worth of contributions. And you as the client get the benefit of that."

SENEY: Of all those contributions.

FRANCHETTI: Of all the contributions that I represent, and if you don't contribute, you're riding the coattails of other people. And I believe that was a fair assessment; he was correct. That was exactly what a person like Bernard did or a Clay Jackson did, or [Donald Kent] Don Brown does, George Steffes, or [Dennis]

Denny Carpenter. These people who are really big lobbyists that make millions. Actually, you could subscribe to this magazine and they will tell you. Carpenter and Snodgrass [a lobbying firm], one point seven million for the first three quarters, Steffes one point four million--these were their fees . . .

SENEY: Their gross income?

FRANCHETTI: . . . The old Clay Jackson firm, one point two [million dollars], Don's [Brown's] Advocation one point one almost. So these were . . .

SENEY: . . . Do you see Franchetti and Franchetti there?

FRANCHETTI: We are on the inside page. We used to be there, but we don't. . . . We do so much less lobbying now that we're not in the top twenty anymore.

SENEY: Neilson and Merksamer is up there.

FRANCHETTI: That's right.

SENEY: Former colleagues of yours.

FRANCHETTI: That's right. But you can see the kind of money involved. Those are not the contributions, but those are the amount of revenues people are making. And they're making it with themselves and a few staff.

They carry with them, apart from their knowledge of the system and all the positive professional things, the ability to generate large amounts of campaign contributions. That has an impact on these people who are voting. And I think that's part of the system that lends itself to someone pushing for more and more money.

SENEY: Some of the people we have interviewed in this project have pointed to the changes that Unruh brought about in the legislature, professionalizing it, making it annual, a more continuing long term body. People really want to stay. It really is a career at this point. Is that, do you think, fueling part of this desire for funds . . .

FRANCHETTI: . . . I would say that. It certainly fuels the desire for funds. Whether it fuels the lack of integrity is another story because this room that we're in used to be, when this was a hotel, in the heyday . . .

SENEY: . . . The famous Senator Hotel . . .

FRANCHETTI: . . . The Senator Hotel, this was told by an old lobbyist who leads to this conclusion I'm going to give you, was the suite for the Retailer's Association. I asked, "What was

FRANCHETTI: on that corner?" And he told me. This is where they would have their card parties and open bar, food twenty-four hours a day and so on. And that's how the old lobbyist worked and that was with a part-time legislature. And many of them seldom went over to the capitol. The legislators would come over here and be entertained in various ways and get to know these people and so on. And I don't think there was probably any less, or more integrity then than there is now. That system was changed eventually, but it was lot less expensive because it was more of an entertainment type of thing. You kind of knew people, you would contribute money.

This one fellow I talked to used to represent the billboard people in the 1940's and the 1950's. Billboards were a major way of campaigning. They would contribute in kind, give free billboard space to the candidates. So I think the system has always been that way. I think that maybe there is more money involved now and I do agree with you. I think there was the desire for people to stay in office and they will do anything to stay in office. Now that's changing

because of term limits. Although it's not changing in a short time. People can make a pretty good career here if they go to the assembly and senate and maybe something else.

SENEY: But you don't deal with campaign contributions.

FRANCHETTI: I quit doing it. You will see my name on a list sometimes. For example, I'm not the only lobbyist for Mobile so when they show whose clients have given campaign contributions, Mobile will show up. Other lobbyists do that. I don't do it.

SENEY: Why won't you do it?

FRANCHETTI: Well, first place, quite candidly, it didn't do my clients any good. [Laughter] Funny to say, but you're asking people to give money and they give money. I began to believe that despite what a Teitlebaum might do, and I'm not sure that people necessarily responded to him that way but that's how he believed, it didn't really make any difference. People give and if you were doing it honestly, it really didn't make any difference. I guess if you were doing it dishonestly, it might but I'm not involved in that.

SENEY: Under the current law, you couldn't give the money anyway. You would tell your client to give to so and so.

FRANCHETTI: No, I could give the money.

SENEY: I could give it to you. Then you could give it.

FRANCHETTI: I technically could, yes.

SENEY: OK.

FRANCHETTI: But, at least, that's my understanding. That's not the way you would do it. The way you would do it is you would have a client prepare a check, and I'd put a little note on it; here's a little something for your campaign or whatever. Or people go to these fund raisers.

SENEY: Do you ever do that?

FRANCHETTI: I have, I have. Even now, once in a while somebody will call whom I know, and I may just pay for it and not go. I've gone to a few. I might go to one just because somebody asked me to. But I don't ask clients for money.

SENEY: Some lobbyists complain that almost daily you get these requests.

FRANCHETTI: Oh, yes. There are stacks of these. Lately, there haven't been many coming in, but

starting in January scores of these will come in. Then people call. Literally, legislators call you. In other words, on a Friday especially, when things are quiet, the phone will ring and Senator Jones or Assemblywoman Smith is on the line, and they ask if you are going to go to their fund raiser. After you say no, you say, "I'll talk to my clients but I don't have any." But they'll pretty much stop. But I'll get them again.

SENEY: Do you still get access to these people?

FRANCHETTI: Sure. That's the point. I mean you can still go see them, and the concept of getting access to them through contributions was the basis of the first Carpenter conviction anyway. He was claiming that the money was used for access, and the court found that was an illegal use of the money. Even that excuse is sort of gone. You should talk to other lobbyists. I'm sure people have different points of view. And maybe some of them who are very successful continue to do that, but I think we are going to see less of that. People are much more concerned. And you've read in the paper quotes from

anonymous lobbyists, "God, I could have been just like Jackson or close to it." That's true. I know of cases where people basically ask for a contribution and if it wasn't given, they voted against the people who wouldn't give them the money. Now that's about as close to what the Jackson thing was as there is.

SENEY: I guess Jackson's closeness with [Senator] Alan Robbins was questionable in the fact that Robbins was so well known as someone who was enriching himself.

FRANCHETTI: I never knew that he was violating the law, but Robbins was known to be someone who raised a lot of money. The whole system is keyed on raising money. Robbins was true and correct when he said there is a list of senators who raised money for other senators and if you got enough money, you got the better jobs. I have no question but that that is true.

SENEY: And they carry these lists with them and show them about . . .

FRANCHETTI: . . . I've been in meetings, years ago, with legislative leadership, when I first began lobbying, and I'd go in with people like

Teitlebaum or others and they'd pull a list out and say, "Your client gave more money to the Democrats than they gave to me, than they gave to the Republicans." And you're going in to ask for something and right away the money issue comes up. You could always answer, "The Democrats have more votes," or something. They'd say, "We want you guys to consider us." That was not uncommon. People like [Assemblyman Patrick J.] Pat Nolan and [Senator] Frank Hill did that a lot which ultimately got them in trouble.

SENEY: And they're going to be tried soon.

FRANCHETTI: That's right. Of course, some of the things they were nailed on, I mean blank checks and hotel rooms were not very smart on their part, but those things were not uncommon. They're probably going on now. Where I think they really ran into problems, and the worst example became the honorarium because a campaign contribution was a campaign contribution, it would go to your campaign. I believe very strongly that I should be able to give money to a legislator who helps me or helps my client. That's the system. But when I give them money to help them stay in

office because as a citizen there are people I want to see in office, that's one thing; but when I give them money that they can spend on themselves, then I think you cross the line. And the honorarium grew kind of innocently. Somebody would go down and give a speech to a convention. They would have their expenses paid, and they'd get a little honorarium for their time, you know. Many people wouldn't accept them. They'd say, "I'm a public official. That's my job." But others would do it, but it was small. Then it just began growing. All of a sudden people were saying, "You want a campaign contribution or an honorarium?" Then they got three thousand dollars for breakfast or something. The line was crossed.

SENEY: What do you think Prop 140¹ is going to do to the legislature?

FRANCHETTI: I think it is going to lead to a legislature which will probably be reinventing the wheel a great deal. I see it already. There were many disadvantages to having people here for twenty years or more. But one of the

¹Proposition 140, November, 1990.

FRANCHETTI: advantages was that they'd heard it all. People had already heard these things many times, and they understood where the problems were, and they could intelligently talk about it without having to explain why eight different other approaches weren't very good. Or you might work for ten years to get an idea accepted. Everybody understood that the idea had been around and it was nothing new. When you get people who come in with no background or very little background, they have a tendency to latch on to new ideas that aren't new at all. You already see it. Ideas being reinvented, money being spent on issues that lobbyists know aren't going to go anywhere because they've been discredited long ago. They sound good when you first hear them. That's one thing.

I think there probably will be ultimately an increased influence by staff because staff will stay. If somebody's really smart, they'll depend on their staff. They will not have the expertise that they might have. That's some of the negative things.

There are positive things, too. I'm not sure if, in fact, lobbyists will have the same advantage that they have now, in terms of building long term relationships with legislators. You know the big things in lobbying, the money thing is one thing, but a lot of it is long term relationships. People that you've known for a long time. [Senator] Bill Lockyer will be president pro tem of the senate. He is not a close friend of mine but I've known Bill Lockyer since 1971 or '72. We respect each other. I can talk to him. He understands who I am. I know who he is and so on. And that's part of my being able, when I do legislative lobbying, to go over and do it. I can go see people. I don't have to give them any money. They just know me, and I go see them. It's not like it's a big deal. When there are new people coming in all the time, those relationships will not be established. Lobbying will change. It may be a little more issue oriented than personality oriented, maybe; we'll see.

SENEY: One thing outsiders don't understand either is that you've got to be very careful in terms of your creditability and . . .

- FRANCHETTI: . . . That's right . . .
- SENEY: . . . That you shoot straight. You mess up even once, and there may be no road back.
- FRANCHETTI: That's absolutely correct. Once again, people that have been around a long time, people know them, and can characterize where they fit in that spectrum of overly creditable, middle creditable, low creditable. There's a shorthand thing.
- SENEY: When there's a turnover, you may not have that.
- FRANCHETTI: It's going to take a lot of extra work for people to do legislative lobbying. They are going to have to continually reacquaint themselves with people. Some people are talking about getting involved in the campaigns more because they think they can develop a relationship there. But no one has really figured it out. You talk to the top lobbyists and they are all very concerned about this issue because virtually all of them, and again money is a major problem, but the real problem is that they have long-term relationships with people. Don Brown is close to some key people in the assembly and the senate. He can pick up the phone and

talk to them. And they talk to him because he is Don Brown, not because he is anything else and they know who he is, and he knows them. They've been through a few wars together and they have a relationship. That's going to be much less so now.

SENEY: There are some lobbyists, I've spoken to, who think that the lobbyists in general will be more powerful.

FRANCHETTI: I've heard that.

SENEY: Is this so?

FRANCHETTI: Possibly because of their storehouse of knowledge and that certainly is possible. It is but I'm not sure they've seen that yet. Change hasn't really happened yet. As long as [Willie] Brown and those folks are in, and the Robertis and Lockyers and [Kenneth L.] Maddys of the world are there, you're still with the old school. That's changing, and in a few years it will be gone and then whoever is doing it will have a chance see how it works.

SENEY: It's impossible, I think, to predict either from the point of view of a political scientist or a practitioner like yourself, who is far more experienced in these matters

than someone like I am. I mean the law of unanticipated consequences . . .

FRANCHETTI: . . . That's right . . .

SENEY: . . . Is always a first law in politics . . .

FRANCHETTI: . . . I have a philosophical problem with term limits. I believe philosophically that people should be able to elect anybody they want to office for as long as they want. But putting that aside, since there is nothing you can do about that, I'm not sure there will be an enormous change because of term limits. I'm not sure that citizen-legislators will come up here or come down here because of term limits. Because they're still required during that period of time to devote their entire time and effort to being here. It really is true. There are breaks in it but they are campaigning. But the thing that I've always felt very strongly about--this goes back to Jesse Unruh--is that I think the legislative session should be limited to perhaps sixty to ninety days of intensive work and maybe held annually, really, almost a return to the older system. And I say that because if we were to count the wasted days that occur here in

Sacramento--I count them because I have to live through them--I think you'd find that there's probably no more than sixty effective days of work done in a year.

SENEY: Maybe back to the interim committees.

FRANCHETTI: That's right and maybe have an interim system. People would claim that doesn't work and maybe it doesn't. But most of the work that is really done is done in one or two intensive periods of time. It's done around deadlines that have been established to move bills out of particular houses, within two or three weeks around the budget time, for example, in May is one deadline. An enormous amount of work is done, hearings run for twelve, fourteen, sixteen hours, and a lot of work is done. It is very intense; people are tired, really mad and upset. And then at the end of the session, at the end of the term, an enormous amount of work is done with very little consideration sometimes given to what's in the bills; there is game playing going on, amendments thrown in that nobody knows what they are . . .

SENEY: . . . Committee meetings conducted in the hallways . . .

FRANCHETTI: . . . Yes, right, and even though they try to have rules against it, those kind of things happen. So it's real clear to me that you don't need nine months to do this or eight months. If you came in here in January and said, "We're going to be out of here in March." I think you would get the same amount of work done.

[At this point the interview ended. Mr. Franchetti had completed his remarks. He was thanked for his participation in the project.]

[End Tape 8, Side B]

NAMES LIST

State Government Oral History Program

Interviewee Michael Franchetti

List Compiler/Editor Donald B. Seney

Cooperating Institution Oral History Program,

Center for California Studies, California State

University, Sacramento

NAME	IDENTIFICATION	VERIFICATION	PAGE INTRODUCED
Louis Franchetti	Father of Michael Franchetti	Michael Franchetti	1
Della Gelfi Franchetti	Mother of Michael Franchetti	Michael Franchetti	1
George Franchetti	Grandfather of Michael Franchetti	Michael Franchetti	1
Marco Dotta	Stepfather of Michael Franchetti	Michael Franchetti	3
Peter Gelfi	Grandfather of Michael Franchetti	Michael Franchetti	4
Evelle Younger	Attorney General of California, 1971-1978	James D. Driscoll and Darryl R. White, <u>List of California's Constitutional Officers, Congressional Representatives, Members and Sessions of the State Legislature, and Justices of California Supreme Court, 1849-1985.</u>	6

Joseph C. Shell	Member, California State Assembly, 1955-1962.	Driscoll and White, <u>List</u> .	7
Robert H. McNamara	U.S. Secretary of Defense, 1961-1967	Bob Woodward, <u>Veil</u> (New York, 1989), p. 98.	11
T. Anthony Quinn		T. Anthony Quinn, Oral History Interview, conducted in 19?? by Donald B. Seney, Oral History Program, California State Archives, State Government Oral History project.	14
John Price	Sacramento County District Attorney, 1959-1979	Sacramento County District Attorney's Office	16
Peter Demauro	Law school classmate	Michael Franchetti	17
Thomas Lynch	Attorney General of California, 1964-1971	Driscoll and White, <u>List</u> .	17
Mary Jane Hamilton	Deputy Attorney General, California Attorney General's Office	Donald B. Seney	20
Dan Lungren	Attorney General of California, 1990-to date		23
Edmund G. Brown, Sr.	Governor of California, 1959-1967	Driscoll and White, <u>List</u> .	25
Ulysses S. Webb	Attorney General of California, 1903-1938	Driscoll and White, <u>List</u> .	29
Earl Warren	Attorney General of California, 1939-1943	Driscoll and White, <u>List</u> .	29
Charles O'Brian	Chief Deputy Attorney General	Michael Franchetti	29

	of California, 1968-1971		
Ed Davis	Member, California State Senate 1981-1987	Driscoll and White, <u>List.</u>	31
Charles A. Barrett	Chief Deputy Attorney General, 1970-1974	Michael Franchetti	31
Herbert Ashby	Head, Criminal Division, Attorney General's office, 1972-1978	Michael Franchetti	32
Alfred H. Song	Member, California State Senate, 1967-1978	Driscoll and White, <u>List.</u>	33
Alan Sieroty	Member, California State Senate, 1967-1977	Driscoll and White, <u>List.</u>	33
Ken Meade	Member, California State Assembly 1971-1976	Driscoll and White, <u>List.</u>	33
Yvonne Brathwaite Burke	Member, California State Assembly, 1967-1972	Driscoll and White, <u>List.</u>	33
Robert Crown	Member, California State Assembly, 1957-1973	Driscoll and White, <u>List.</u>	33
George Deukmejian	Attorney General of California, 1978-1982	Driscoll and White, <u>List.</u>	36
John Van de Kamp	Attorney General of California, 1983-1991	Driscoll and White, <u>List.</u>	36
Sandy Gruskin	Deputy Attorney General	Michael Franchetti	37
Edmund G. Brown, Jr.	Democrat nominee for governor, 1974	John C. Syer and John H. Culver, <u>Power and Politics in California.</u> 4th ed., (New York,	42

		1992), p. 42.	
Houston I. Flournoy	Republican nominee for governor, 1974	<u>Ibid.</u> , p. 43.	43
Richard Nixon	President of the United States, 1969-1974		44
Howard Jarvis	Co-sponsor of Proposition 13	<u>Syer and Culver</u> , op. cit., p. 44.	44
Paul Gann	Co-sponsor of Proposition 13	<u>Syer and Culver</u> , op. cit., p. 44.	44
Gray Davis	Chief of Staff to Edmund G. Brown, Jr.	John C. Bollens and G. Robert Williams, <u>Jerry Brown</u> . (Palisades, CA, 1978), p. 120	48
Jan Stevens	Deputy Attorney General for Civil Legislation, 1978-1982	Michael Franchetti	51
Mildred Eberhart Younger	Wife of Evelle Younger	Michael Franchetti	54
Milton Marks	Member, California State Senate, 1967-to date	Driscoll and White, <u>List</u> .	59
Joseph Wambaugh	Author, <u>The Onion Field</u>	Delacorte Press, New York, 1973	61
Robert B. Presley	Member, California State Senate, 1975-to date	Driscoll and White, <u>List</u> .	66
David Townsend	Aide to Senator Robert Presley	Michael Franchetti	66
Alan Robbins	Member, California State Senate, 1973-1992	Driscoll and White, <u>List</u> .	69
Fred W. Marler	Member, California State Senate,	Driscoll and White, <u>List</u> .	72

1965-1974

Lynette "Squeaky" Fromme	Attempted assassin of President Gerald R. Ford	<u>Los Angeles Times</u> , 7/1/77, Sec II, p.7	74
Gerald R. Ford	President of the United States, 1974-1977		74
Joseph Alioto	Candidate for Democratic nominee for governor, 1974	Syer and Culver, op. cit., p. 42	75
Bob Moretti	Candidate for Democratic nominee for governor, 1974	Syer and Culver, op. cit., p. 42	75
Winfield A. Shoemaker	Member, California State Assembly, 1965-1968	Driscoll and White, <u>List.</u>	77
Patricia Hearst	Kidnap victim	<u>Los Angeles Times</u> , 2/6/74, Sec. I, p.1.	76
Keith Gafney	Lobbyist, Gun Owners Association	Michael Franchetti	78
Eric Younger	Son of Evelle Younger	Michael Franchetti	84
Rose Elizabeth Bird	Chief Justice, California State Supreme Court, 1977-1986	Driscoll and White, <u>List.</u>	85
Donald Wright	Chief Justice, California State Supreme Court, 1970-1982	Driscoll and White, <u>List.</u>	86
William Clark	Associate Justice, California State Supreme Court, 1973-1981	Driscoll and White, <u>List.</u>	88
William Shank	Head, Civil Division, Attorney General's office, 1978-1980	Michael Franchetti	100

Robert Philobosian	Deputy Attorney General, 1978-1982	Michael Franchetti	102
Rodney J. Blonien	Deputy Attorney General, 1978-1982	Michael Franchetti	102
Harry S. Truman	President of the United States, 1945-1953		107
Tony Cimarasti	Press aide to George Deukmejian, 1978-1982	Michael Franchetti	112
Charles Backeley	Campaign advisor to Evelle Younger 1978, p. 289	<u>California Journal</u> , Sept.	117
Kenneth Reitz	Campaign Consultant to Evelle Younger, 1978	<u>Ibid.</u>	118
Mike Curb	Candidate for Lt. Governor, 1978	Syer and Culver, op. cit., p. 44	119
Walter J. Karabian	Member, Fair Campaign Arbitration Panel, 1978	<u>California Journal</u> , Oct. 1978, p. 321	124
Peter Pitchess	Member, Fair Campaign Arbitration Panel, 1978	<u>California Journal</u> , Oct. 1978, p. 321	124
Paul Ziphren	Member, Fair Campaign Arbitration Panel, 1978	<u>Ibid.</u>	124
Ronald Reagan	Governor of California, 1967-1975		125
John Connelly	Candidate for Republican nominee for U.S. President,	E.J. Dione, Jr. <u>Why Americans Hate Politics</u> . 1970 (New York, 1991) p. 234	125

Bill Roberts	Republican campaign consultant	Syer and Culver, op. cit., p. 138	126
Edwin Meese, III	Aide to Governor Ronald Reagan, 1966-1974	Michael J. Ross, <u>California: Its Government</u> , 4th ed. (Belmont, CA, 1992), p. 135	127
Henry Salvatore	Advisor to Governor Ronald Reagan	<u>Los Angeles Times</u> , 8/23/72, Sec. II, p. 6	128
Holmes Tuttle	Advisor to Governor Ronald Reagan	<u>Los Angeles Times</u> 9/29/74, Sec. V, p. 5	128
Justin Dart	Advisor to Governor Ronald Reagan	<u>Los Angeles Times</u> , 9/29/74, Sec. V, p. 5	128
William French Smith	Advisor to Governor Ronald Reagan	<u>Los Angeles Times</u> , 6/23/74, Sec. II, p. 1	128
Karl Samuelian	Fund-raiser for George Deukmejian	Syer and Culver, op. cit., p. 8	136
Donald Murdock	Republican fund raiser	Syer and Culver, op. cit., p. 8	137
Arman Arabian	Justice, District Court of Appeals	Michael Franchetti	138
Cruz Reynoso	Associate Justice, California State Supreme Court, 1982-1986	Driscoll and White, <u>List</u> .	142
Joseph Grodin	Associate Justice, California State Supreme Court, 1982-1986	Driscoll and White, <u>List</u> .	142
Stanley Mosk	Associate Justice California State Supreme Court, 1982-1986	Driscoll and White, <u>List</u> .	142
Allen E. Broussard	Associate Justice California State Supreme Court,	Driscoll and White, <u>List</u> .	142

1982-1988

Eugene A. Chappie	Member, U.S. House of Representatives, 1981-1989	Eugene A. Chappie, Oral History Interview, conducted in 1990 by Donald B. Seney, CSUS Oral History Program for the California State Archives, State Oral History Project	143
Marshall F. McComb	Associate Justice, California State Supreme Court, 1956-1977	Driscoll and White, <u>List</u> .	146
B.T. Collins	Chief of Staff to Governor Jerry Brown	<u>California Journal</u> , January, 1983, p. 17	<u>149</u>
Pete Wilson	Governor of California 1991-to date	Governor's office, Sacramento, CA.	154
Jesse M. Unruh	Treasurer of California, 1975-1986	Driscoll and White, <u>List</u> .	157
Kathleen Brown	Treasurer of California, 1990-to date	Treasurer's office, Sacramento, CA.	162
Willie L. Brown, Jr.	Speaker of the California State Assembly, 1981-to date	Driscoll and White, <u>List</u> .	164
Bob Monagan	Speaker of the California State Assembly, 1969-1970	Driscoll and White, <u>List</u> .	165
George Moscone	Member, California State Assembly, 1967-1976	Driscoll and White, <u>List</u> .	166
George Wallace	Candidate for Democratic nominee for U.S. President, 1972	E.J. Dione, Jr. op. cit., p.119	166

Bernard Teitlebaum	Aide to George Moscone	Michael Franchetti	168
Casper W. Weinberger	U.S. Secretary of Defense, 1971-1987	Bob Woodward, <u>Veil</u> , (New York, 1987), p. 47	170
Jimmy Carter	President of the United States, 1977-1981		171
Bill Clinton	President of the United States, 1993-to date		171
Leo McCarthy	Speaker of the California State Assembly, 1974-1980	Driscoll and White, <u>List</u> .	171
George Nicholson	Head, Crime Prevention Unit, Attorney General office, 1978-1982	Michael Franchetti	173
Tim Reardon	Head, Special Prosecutions Unit, Attorney General office, 1978-1982	Michael Franchetti	182
Nelson Kemski	Head, Criminal Investigation Division, Attorney General office	Michael Franchetti	183
Bob Houghton	Head, Division of Law Enforcement, Attorney General office, 1970-1978	Michael Franchetti	184
Sirhan Sirhan	Assassin of Robert F. Kennedy	<u>Los Angeles Times</u> , 5/21/75, Sec. 1, p.1	184
Robert F. Kennedy	Candidate for Democratic nominee for U.S. President, 1968	Billens and Williams, op. cit., p. 238	184
Tony Anthony	Head, Division of Law Enforcement, Attorney General office, 1968-1982	Michael Franchetti	185

Glenn Craig	Sheriff, Sacramento County, 1987-to date	Sacramento Co. Sheriff's office	186
Tom Bradley	Democratic nominee for governor, 1982	Syer and Culver, op. cit., p. 47	204
Steve Merksamer	Chief of Staff to Governor George Deukmejian p. 76	<u>California Journal</u> , February, 1987, p. 76	205
Bob Cook	Television commentator	Michael Franchetti	210
Linda Breakstone	Newspaper and TV Reporter	Michael Franchetti	210
Stu Spenser	Partner in Spenser-Roberts, campaign consulting firm	Syer and Culver, op. cit., p.216	217
Tiffany Franchetti	Wife of Michael Franchetti	Michael Franchetti	225
Sal Russo	Campaign manager to Mr. Deukmejian in 1982 governor's campaign	<u>California Journal</u> , February, 1983, p. 76	226
Doug Watts	Campaign manager to Mr. Deukmejian in 1982 governor's campaign	<u>Ibid.</u>	226
Mervyn Field	President, the California Poll	Syer and Culver, op. cit. p. 47	226
Richard Wirthin	Republican pollster	<u>California Journal</u> , Sept. 1982, p. 344	227
Mary Ann Graves	Director of Finance, 1980-1982	Michael Franchetti	228
Chon Gutierrez	Member, Dept. of Finance, 1982	Michael Franchetti	229

Dennis E. Carpenter	Member, California State Senate, 1970-1990	Driscoll and White, <u>List.</u>	230
Jess Huff	Deputy Director of Finance, 1983-1984	Michael Franchetti	230
Chuck Cokey	Director of Finance,	Michael Franchetti	235
Ken Corey	Controller of California, 1978-1987	Driscoll and White, <u>List.</u>	255
David A. Roberti	President pro tem, California State Senate, 1981-to date	Driscoll and White, <u>List.</u>	248
William Campbell	Member, California State Senate, 1977-1984	Driscoll and White, <u>List.</u>	248
Robert W. Naylor	Member, California State Assembly, 1979-1985	Driscoll and White, <u>List.</u>	248
James W. Nielsen	Member, California State Assembly, 1978-1983	Driscoll and White, <u>List.</u>	248
Henry J. Mello	Member, California State Assembly, 1977-to date	Driscoll and White, <u>List.</u>	260
David Swoap	Secretary, Health & Welfare, of California,	<u>California Journal</u> , February 1983, 1982-1987 p. 76	267
David Stirling	General Counsel, Agricultural Labor Relations Board	<u>Los Angeles Times</u> , 1/23/83, Sec. 1, p. 3	268
Cesar Chavez	President, United Farm Workers	Syer and Culver, op. cit., p. 70	269
Kenneth Bianchi	Convicted murderer, Hillside Strangler Case	<u>Los Angeles Times</u> , 1/6/81, Sec. II, p. 6	272

Ronald M. George	Superior Court Judge, Hillside Strangler Case	<u>Los Angeles Times</u> , 7/22/81, Sec. I, p. 3-4	272
Ken Khachigian	Campaign manager	<u>San Francisco Chronicle</u> , 4/12/94, p A3	280
George Bush	President of the United States, 1987-1991		280
Dan Quayle	Vice President of the United States, 1987-1991		280
Gil Avila	Staff assistant to Governor Deukmejian	<u>California Journal</u> , Feb. 1983, p. 77	285
Peter McBrian	Assistant to Governor Deukmejian	Michael Franchetti	288
Larry Thomas	Press Secretary to George Deukmejian	<u>California Journal</u> , Feb. 1983, p. 77	289
Mervyn M. Dymally	Lt. Governor of California, 1974-1978	Driscoll and White, <u>List</u> .	290
Sheldon Lytton	Assistant to Evelle Younger campaign for governor, 1978	<u>Sacramento Union</u> , 2/5/84, p. 27	290
Hugh Pike	Associate of Lt. Governor Dymally	<u>Los Angeles Times</u> , 11/2/78, Part I, p. 23	296
Bob Fairbanks	Reporter, <u>Los Times</u>	<u>Los Angeles Times</u> , <u>Ibid.</u>	296
Bill Stout	Reporter, KNXT Television	<u>Los Angeles Times</u> , 11/2/78, Part I, p. 27	297
Carol Hallett	Nominee for Director of Parks, California, 1983	Steven A. Merksamer, Oral History Interview, conducted in 1994 by Donald B. Seney, CSUS Oral History Program	304

for California State
Archives, State Oral
History Project

Victor V. Veysey	Nominee for Director of Industrial Relations, California	<u>California Journal</u> , Feb. 1983, p. 76	304
Nicholas C. Petris	Member, California State Senate, 1967-to date	Driscoll and White, <u>List.</u>	312
Diane E. Watson	Member, California State Senate, 1979-1980	Driscoll and White, <u>List.</u>	315
Bill Greene	Member, California State Senate, 1975-1992	Driscoll and White, <u>List.</u>	315
Alfred E. Alquist	Member, California State Senate, 1967-to date	Driscoll and White, <u>List.</u>	319
Del Pierce	Head, Department of Motor Vehicles, California	Michael Franchetti	328
John Caffrey	Deputy Director, State Water Resources Control Board, California	Michael Franchetti	328
Michael Frost	Chief of Staff to Governor Deukmejian	Steven A. Merksamer	
Terry Eagan	Director, Dept. of Industrial Relations, California	Steven A. Merksamer	353
Don Sebastiani	Member, California State Assembly, 1981-1985	Driscoll and White, <u>List.</u>	353
John Vasconcellos	Member, California State Assembly, 1967-to date	Driscoll and White, <u>List.</u>	357
Clare Berryhill	Director, Food and Agriculture	<u>California Journal</u> ,	370

	Agency, California, Feb. 1983, 1983	p. 76	
Tom Hayes	Director of Finance, 1991-1992	Dept. of Finance, Sacramento, CA.	376
David P. Gardner	President of the University of California, 1983-1992	<u>Los Angeles Times</u> 9/19/92, Sec. A, p. 25	384
W. Ann Reynolds	Chancellor, California State University, Sacramento	<u>Los Angeles Times</u> , 4/29/90, Sec. A, p. 3	384
Culbert L. Olson	Governor of California, 1939-1943	Driscoll and White, <u>List.</u>	395
Goodwin G. Knight	Governor of California, 1953-1959	Driscoll and White, <u>List.</u>	395
Earl Warren	Governor of California, 1943-1953	Driscoll and White, <u>List.</u>	395
William F. Knowland	Member, U.S. Senate, 1945-1959	Driscoll and White, <u>List.</u>	396
Clayton R. Jackson	Lobbyist	<u>Directory of Lobbyists, Lobbying Firms, and Lobbyist Employees</u> , published by Office of the Secretary of State, Sacramento, CA. April, 1991.	415
Donald K. Brown	Lobbyist	<u>Directory of Lobbyists</u>	417
George R. Steffes	Lobbyist	<u>Directory of Lobbyists</u>	417
Patrick J. Nolan	Member, California State Assembly, 1979-1994	Driscoll and White, <u>List.</u>	425
Frank Hill	Member, California	Office of	425

	State Senate, 1990-to date	Senator Frank Hill	
Bill Lockyer	Member, California State Senate, 1983-to date	Driscoll and White, <u>List.</u>	428
Kenneth L. Maddy	Member, California State Assembly 1971-1978	Driscoll and White, <u>List.</u>	430