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Oral History Interview

with

WILLIAM H. LANCASTER

California State Assemblyman, 1972-1992

November 22 and December 13, 1994; January 9, January 30 and
March 4, 1995
Covina, California

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VOLUME 2

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None

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DOUGLASS: What I wanted to ask you now is can you talk about the impacts of Prop. 13, let's say in five-ten years to today? In other words, there is the immediate impact, which might not have been so great, except it did require the state to step in. Could you go over that in your mind?

LANCASTER: Yes. I'd like that. First of all, I have to start off with I was very outspoken in my opposition to Proposition 13. I was not necessarily against a shift of the property tax as a source of revenue for local government to something else. Because I think that, frankly, it is better to have the property tax involved in local government, at least to a percentage. Now, if you want to come up with another substitute for that, before you applied 13, you ought to do that.

In reality, what Proposition 13 was, and still is, was a reduction in local government's ability to function and govern. It took the revenue away from the special districts, the cities, the counties, and the school districts. It had nothing to do with the state. Now a lot

of people thought it did, but it didn't. It had nothing to do with the state.

DOUGLASS: Wasn't it anger at the state, supposedly?

LANCASTER: Well, anger at the assessment practices.

DOUGLASS: Yes, and the state having the money.

LANCASTER: That's right. So, consequently, what happened was that it shifted basic responsibility for decision making to Sacramento that used to be, and in my judgment still should be, the responsibility of the city council, the board of supervisors, school district board of trustees, and the local district governing boards. And now made them come to us, the state, and say, "Now we can't exist without you." So the first year we had this, we had a 57 percent drop immediately in local revenues. And the state, by the way, at that point had recovered no increase. There was no increase in revenue in place in that whole process. It was just a reduction of 57 percent in local revenue.

Now, we had this surplus, which, in my judgment, was part of the reasons it passed because nobody could stand up and say, "Gee, you've passed this. We won't be able to help."

Because they did. We had the money. So we came back in. The primary role then was to make sure public safety was protected. That's what the priority was.

Then the long-term impact has been we have total control of local governmental entities now by the State of California. Because we fund everything. The classical example is education, which is the primary example. The school teacher may bargain with the local districts, that's true, which also I think bargaining is a mistake, but they bargain with the local school district, all of them. But it all depends on what comes out of the coffers in Sacramento, which, of course, was the reason for Prop. 98 adoption just recently.¹

So what we have now, instead of having a local situation with what you'd like to do at the local level, it all depends on what the state does for you. And so we went back to centralized authority. Something that I don't like. And so one of my goals while I was there was to try to restore as much as possible those

¹ Proposition 98 guaranteed priority for funding education.

LANCASTER: areas of responsibility back to the locals. Very difficult to do, Enid, when you don't have the funding ability at the local level to take that back.

Cities, by and large, have recovered. School districts are really part of the state function now, and a lot of special districts are, too. The cities recovered because the locals got on the ball and did various things development-wise and things of that nature. And, of course, then now the state has taken away their money. On the guise, by the way, that we bailed you out when you needed the money. So, therefore, now it is time to pay back. So the assessment practices changed; the property taxes are no longer the base at the local level. It is a part of it, but it is no longer the main. . . .

And, you know, it's interesting because what Proposition 13 required, which I support, is an immediate reassessment on sale. And we can do that. And so what we did was, when that happened, formal reassessment is every year. So when you sold the property, the new owner didn't get reassessed until the next year. We

LANCASTER: put in what they called the supplemental roll. The supplemental roll was immediate assessment. In other words, you bought this property, you took it over, you start the new tax then, July whatever-it-is. That's what the bill required. Believe me, they screamed bloody murder when we put the supplemental roll in. In other words, picked up that extra money off the property tax and we gave it back to the school districts right away. [Laughter] You see, each thing is doled out. But I don't like that.

DOUGLASS: So the extra money that come in through that simply went to the state, you are saying basically, and then was doled out to the school districts.

LANCASTER: Yes, when we collected it. We taxed it locally, but we say where it goes. Who gets what. And so this was always a battle. It became so bad, and is so bad, that they fight over 7-11 Stores in some counties. It is between the city and the county.

DOUGLASS: O.K. We are still living with the impact, obviously.

LANCASTER: Yes, we are. And until there comes a realization and another redefining of what the

roles of government are, at each level, and then a funding source for that level. Until that happens, you are going to have a centralized government. And, to me, that is not my philosophy. In fact, I don't even consider it good Republican philosophy, personally.

DOUGLASS: I wonder what could cause that reassessment to happen, in a realistic way?

LANCASTER: When the people who pay more than their neighbors who were here in '78. . . . As you know, if you went out and bought a piece of property now, you would be assessed at the purchase price today. If you owned a piece of property in '78, you are still being assessed at the prior . . .

DOUGLASS: 1975 base.

LANCASTER: Yes, the '75 figure, plus 2 percent a year. Once there is more of them. And that surprises me about the state supreme court, frankly. I thought they would rule that unconstitutional.

DOUGLASS: I don't know how that can stand up. Isn't that unequal treatment?

LANCASTER: Well, yes.

DOUGLASS: These are all houses. It is all residential.

LANCASTER: If you are paying more taxes than I am--you are my next door neighbor and you're paying three times the amount of tax for the same identical services--it seems to me that's wrong. And I thought so at the time when they wrote it that way. But the supreme court said that's constitutional.

DOUGLASS: I remember the question coming up. So until that's overturned, which it probably won't be.

LANCASTER: Well, the only way it will be overturned is you get more people paying than the others. They've got a lot of discussion on the part of those people who have some of the houses.

DOUGLASS: I don't blame them.

LANCASTER: That's right. My next-door neighbor, you know, for \$400 a year gets the same services he [had] paid \$2,000 a year for.

DOUGLASS: I know. And it's part of the problem young people have in getting houses, too.

LANCASTER: That's right. One of the things that I have resisted--and it still is not off-the-table for discussion I am sure--is what they call the split roll. That's what you were talking about earlier. S.B. 1 was a split roll.

DOUGLASS: Well, it wasn't approved. I follow you. I remember being very interesting in Prop. 8 and looking at a Prop. 8 budget.

LANCASTER: So I opposed Proposition 13 because I felt it was the wrong direction for California. But we needed to do something. I agree with that. Fine, if we can find a substitute for the property tax, I am for that, too. But you have to do that with incentives. You have to develop incentives for development. And at that time, remember this, Enid, development was held back in California.

DOUGLASS: Yes. By local laws, you mean?

LANCASTER: The mood at that time was to hold back. There was concern about the growth and the houses being built and the roads being built. Claremont was . . .

DOUGLASS: The infrastructure.

LANCASTER: Yes, the infrastructure.

DOUGLASS: And the parks.

LANCASTER: They wanted more than that. They were going to save our beaches and whatever the case may be. So that affected finances, too.

DOUGLASS: One effect of Prop. 13 is that it pulled out the ability of the city to make an extra effort

for some things with a majority vote. It required the two-thirds vote.

LANCASTER: Yes. That always has been the case in bond indebtedness. That's not new.

DOUGLASS: That's not new. But, for instance, in the school district in Claremont they have often had tax overrides that passed.

LANCASTER: Yes. In fact, it passed the same year, '78, that [Prop.] 13 did. It is interesting. Claremont passed an override the same year with us. They voted for 13, too, by the way.
[Laughter]

DOUGLASS: Oh, yes. I understand. At the same time, the Briggs death penalty amendment was on the ballot. I want to ask you, was that something that began in the legislature? Was this when the story comes in of your being ill and coming in to vote? Wasn't that a death penalty vote?

LANCASTER: Yes. But that was a bill enacting the death penalty. It wasn't the Briggs amendment.

DOUGLASS: That was earlier then?

LANCASTER: Yes. It was in that period. Actually, it would be '77. Because I had to come back. I was ill. I had a heart problem. I had to have surgery, and they couldn't get the fifty-four

votes in the assembly to pass out the. . . .
It changed the law--Deukmejian carried it--to
fit what the supreme court said we could do.

DOUGLASS: That was the Deukmejian bill.

LANCASTER: That's right. That's when I got back. You
know, I am for the death penalty.

DOUGLASS: Well, then let's talk about the '78 election,
which was the second campaign you had against
Sandy Baldonado.

LANCASTER: Yes.

DOUGLASS: I was looking at the percentage figures. Up to
1990 that was the toughest campaign you had.
It was 54 percent to 47 percent, and all your
other figures are higher [percentages].

LANCASTER: Sandy, as you know, is a very articulate and
bright person. She really is. I like her,
personally. But the fact of the matter is that
she learned something by her first loss to me.
And I won't say it was because of the fact that
I was incapacitated for so long. But the fact
of the matter is I don't think that was the
reason. She just went out and worked for two
solid years. When that happens, when you are
an incumbent, you are faced with an interesting
decision, unless you happen to be close to your

district. Which I wasn't. I was 400 miles away. They can work all the time and develop cadres of strength, and you have to rely upon: one, people's faith in your ability and get your message across the best you can. And, it was just a very difficult year that year. Also, that's the year that the Democrat party decided that maybe it could knock me off. And Leo McCarthy came down here. They had a fund raiser for her and all of that.

DOUGLASS: So they had spotted this district?

LANCASTER: That's the first time and the last time.

[Laughter]

DOUGLASS: Did you have some sense that this would be a tough campaign?

LANCASTER: Yes.

DOUGLASS: Judging from her first one?

LANCASTER: Yes. And, also, you know, I have a lot of good friends in the Democrat party, and they said, "Bill, there is somebody out to get you." I said, "I know." I knew it was coming. I knew it was going to be a rough-and-tumble race. Actually, it wasn't rough-and-tumble in the sense of derogatory, necessarily, but there was one piece that annoyed me.

DOUGLASS: Do you mean stories that had been planted?
that kind of thing?

LANCASTER: Well, no. Actually, one of the mailers. There was one of the mailers I didn't care for very much. But that's beside the point. This happens. But they didn't pull it off. And she was well financed at that time, too.

DOUGLASS: Was she?

LANCASTER: Yes. The first time she wasn't.

DOUGLASS: I see. She had the party, she had more backing?

LANCASTER: Yes.

DOUGLASS: So the night before that election were you more concerned than you had ever been?

LANCASTER: Well, no, I wasn't concerned. Yes. I'm always concerned every election.

DOUGLASS: I mean more nervous?

LANCASTER: I wasn't nervous. If I won, I won, and if I didn't, I was going back home. I never moved out of here.

DOUGLASS: That was interesting to me because you have a fantastic record of wins. That was obviously the tightest.

LANCASTER: Yes. Well, there was a lot of factors involved. That was my sixth year, that's early in, when you think about it, because '76, '78.

DOUGLASS: That was your fourth election.

LANCASTER: Yes, '72, '74, '76, '78. That's right. And there was also a lot of. . . . In '78, I opposed Prop. 13 publicly. I think Sandy probably did too, but she never said so.

DOUGLASS: Maybe you were more on the record about it?

LANCASTER: I was on the record. I was actually on the record. And proud of it, frankly. Because I believe that way. I am pretty much of a strict constructionist, if that's the word you use. Anyway, it was a good race. I have not seen Sandy recently, but I have talked to her over the years. She is not a friend of mine, by any means, but by the same token, we are not, there is no bad blood.

DOUGLASS: Yes. And she sort of opted out, I guess.

LANCASTER: I think she decided that she wanted to go to law school, which is fine. She practices law over there with. . . . What's his name?

DOUGLASS: [Robert A.] Bob Stafford.

LANCASTER: Yes. Bob Stafford.

[Interruption]

DOUGLASS: All right. Let's go to 1979-80. At this time you were vice chairman of the Rules Committee.

LANCASTER: Before we do that, Enid, can I make one comment about Jerry Brown that perhaps you would be interested in.

DOUGLASS: Yes. Go ahead.

LANCASTER: You know, Jerry Brown is a very bright person. He really is. But when he was governor, his attention span was very low. In other words, he didn't seem to focus in, necessarily, on one thing and stay there. In government, particularly state government, you have to essentially all the time drive forward on certain key issues which you feel strongly about.

And I have to compare, frankly, Jerry Brown to as how I view [President William J.] Bill Clinton. He doesn't seem to focus either and stay there. Now he tried on health care, but he went too far. And so Jerry Brown was trying to remake the state, maybe not the way I would like it to be made, but, by the same token, his attention span just didn't. . . . But he had great political antennas. In other words, his antenna was up there all the time

getting the political signals. But you have to give credit where credit is due. He is a very bright person.

DOUGLASS: He managed to flip over to the right side of 13, didn't he?

LANCASTER: That's the antennas again, see. Right. He was opposed to 13. He came around and said, "Well, gee, that was my idea," you know, in effect. Because he was trying to create that impression.

DOUGLASS: Very interesting.

LANCASTER: So he got that situation. Frankly, he would have been beaten, in my opinion, by the Republicans in the first election, by Hugh Flournoy if it wasn't for the pardon of Richard Nixon. I think that anybody but Evelle Younger would have given him a run for his money in the second election, too. You know, he was the guy that accumulated the surplus, which created the zipping in on.

DOUGLASS: O.K. I'm glad you mentioned that because I had that on your interview outline.

In 1979-80 you served . . .

[Interruption]

. . . as vice chairman of the Rules Committee.

LANCASTER: I was elected vice chairman by my colleagues on the Rules Committee. The chairman at that time was Lou Papan, and he and I worked very closely together in doing lots of things, as I mentioned earlier.

DOUGLASS: You said it was customary for the minority party to have the vice chairmanship?

LANCASTER: It was at the time. But you have to understand that the Rules Committee down the road became-- particularly with [Assemblywoman] Carol Hallett--more of a political committee than the committee on administration. One of the things that may come out of this situation in Sacramento is the strengthening of the assembly Rules Committee, which I support as an administrative arm of government.

DOUGLASS: Some of the things that are being put on the table are quite interesting.

LANCASTER: That's right. As I said, we got involved at that time in many changes. Setting up the job description for all employees. We had none. Putting together ranges of wages, salaries, based upon a survey. Better reporting procedures, better bookkeeping systems. We needed to professionalize everything.

DOUGLASS: Internal management?

LANCASTER: Yes, basically.

DOUGLASS: At this time you had the power to assign bills to committee.

LANCASTER: Yes.

DOUGLASS: Did the speaker tend to hover over that?

LANCASTER: No, not at all.

DOUGLASS: There was freedom to do that.

LANCASTER: Yes. Of course, remember the majority rules. There was one more Democrat. Then unfortunately that's when I got into differences on the Rules Committee, one of the reasons I was not reelected. I could have been probably by the house, but I didn't choose to. At that time, we had fellows like Nolan and those guys trying to vie for power. They wanted to politicize the Rules Committee. Which is a great error. And it happened. When you politicize the Rules Committee, you strengthen the speaker.

DOUGLASS: Right. I would like to talk about that situation. Carol Hallett was on the Rules Committee then. Was that the first time you had served with her on a committee?

LANCASTER: Yes.

DOUGLASS: And what was your first impression of her?

LANCASTER: If you wanted the development of authority, some people call it power, she was part of that process--I guess you call it the "old guard"--to replace it. She was of that Nolan team. She was the first candidate Nolan put up. She was part of that time.

They always call themselves the "Prop. 13 babies." The press call them the "cavemen." She was a woman, but she was part of that.

DOUGLASS: She wasn't newly elected, was she?

LANCASTER: In '78.

DOUGLASS: Oh, she was. So she was a true Prop. 13 baby.

LANCASTER: Yes. That's the ones who wanted to take over when Sandy ran.

DOUGLASS: Was she fairly strident?

LANCASTER: I don't know. Strident is not the right word. She is a very nice lady, but if strident means was she determined? Yes.

DOUGLASS: Did this change any of the chemistry in that committee?

LANCASTER: Oh, yes, by far. It started to become more politicized. And one of the reasons I objected, as I mentioned earlier, what you do when you do that, you strengthen the speaker's

hand. You force him to utilize his majority on the committee his way.

DOUGLASS: How did Papan respond?

LANCASTER: Well, Papan. The minute that happened, when the committee became politicized, he was the biggest political animal in the world. Before, when I was there, we didn't have that problem. It wasn't a political thing.

DOUGLASS: I see. So he changed his tune?

LANCASTER: Absolutely. The speaker said, "Do it this way," and he did. See, on the Rules Committee the chairman is appointed by the speaker. And he can be removed by the speaker. And that's the guy who really has control of the staff. In other words, he would have his Rules staff.

DOUGLASS: The speaker or the chairman?

LANCASTER: The chairman. But if the speaker controls the chairman, guess who controls the staff?

DOUGLASS: Just looking at the committee composition, both in '79 and '80, in '80, Bannai was on the committee, as well as in '79. Then Papan, [Michael] Gage, [Dennis] Mangers, and Rosenthal. There was a little bit of change there.

LANCASTER: Mangers went off. He didn't run, if I remember correctly. Papan was there. Bannai was defeated in 1980. I didn't go off until [Assemblyman Stan] Statham came on. So I went off in '82, I guess.

DOUGLASS: Right. Then the minority floor leader was still Priolo. Then [Assemblyman] Bruce Nestande became the caucus chairman. Was that a change?

LANCASTER: Yes. Chappie went to congress.

DOUGLASS: Yes. Nestande is pretty well-known in Orange County.

LANCASTER: He is now, but at that time he was just a member from northern Orange County. He took Briggs' place in the assembly. Nestande did. Briggs went to the senate. I watched these chairs go around.

DOUGLASS: I am trying to keep track here. The speaker was McCarthy, of course, and Willie Brown was the floor leader in '80. Then, in 1980, Carol Hallett unseated Priolo. How did that happen?

LANCASTER: That was the first move towards the, call them the Prop. 13 babies or whatever they call themselves, taking over the structure of the caucus.

DOUGLASS: How did she manage to do that?

LANCASTER: By getting one more vote than Priolo. Priolo knew he had lost. And, frankly, when that happens, you just don't run.

DOUGLASS: How many would have been in the Republican caucus at that time?

LANCASTER: We went way down in '74, because of the . . .

DOUGLASS: Problems with Watergate?

LANCASTER: Right. Then all these new people were left in, and most of them came in on the wave of Prop. 13. That was the biggest upswing in Republicans up here.

DOUGLASS: Did that have any direct impact on Carol Hallett becoming . . .

LANCASTER: Eventually, yes. Not until two years later. Remember, I was elected to the Rules Committee at the same time Carol Hallett was elected minority leader. So it was a situation, you know, she would bring her own.

DOUGLASS: You were on Rules in '79-80. But you had been on Rules before.

LANCASTER: Yes, right, I was on Rules before.

DOUGLASS: In '79, [Paul] Gann's Prop. 4, "the spirit of 13," passed. So that was one more confirmation of, I suppose, the so-called 13 . . .

- LANCASTER: Well, no. See, Gann's Proposition 4, I supported. Gann's Proposition 4 was a situation where if we told locals to do something that mandated costs, we were involved in payment, part of it. So that was basically the restriction. That I liked. I always have liked that.
- DOUGLASS: So if the state mandated that local government do something, they would have to fund it?
- LANCASTER: Yes. But you have to understand, it's all changed around now. But there are not as many mandates coming out of Sacramento, except the schools. Not even many of those.
- DOUGLASS: It is exactly the same kind of conversation that is going on now in terms of the Congress.
- LANCASTER: That's correct. Back to the states. That's right.
- DOUGLASS: What you mandate has to be done . . .
- LANCASTER: Well, you don't mandate it. And that is critical, I think, in our government structure in this country. I really do.
- DOUGLASS: Let me just pick out a few bills. I realize you don't have the full listing, but I can give you a pretty good idea.
- LANCASTER: I think I can go through them with you.

DOUGLASS: I was intrigued by this consolidation of the 181 lighting districts in L.A. [Los Angeles] County in the Landscaping and Lighting Act.¹ Was this just a bureaucratic need to consolidate?

LANCASTER: Well, yes and no. Actually, what happened. Remember, again, back in '78 when all these special districts became fiefdoms, really, of the state, we had to set up a mechanism in each county where the county board of supervisors would allocate. We would take a certain percentage of the money and give it to the governing board of the district. In a lot of districts there is no local governing board. It's all the governing board of the county, the county board of supervisors is the governing board for all of them. They all had these various and sundry needs. And so it was the need to consolidate that whole picture into one and then let the board administer the funds the best they could.

DOUGLASS: Put it all in one package.

¹ A.B. 438, 1979-1980 Reg. Sess., Cal. Stat., ch53 (1979).

LANCASTER: Yes, basically. That was part of it. Because each little lighting district out of the whole county, you had a little pocket.

DOUGLASS: Fiefdom, yes.

LANCASTER: Well, three blocks. [Laughter] Little districts. So that was the way it was done. In other words, in the old days, if you wanted streetlights on your streets, you formed a little district. And the board just administered.

DOUGLASS: So these were consolidated into one whole district.

LANCASTER: Yes. So it was practical.

DOUGLASS: So it wasn't even putting contiguous ones together into smaller subgroups?

LANCASTER: No. There was a lot of that.

DOUGLASS: That is a commentary on what was happening in the area in terms of development.

LANCASTER: Oh, sure, the whole thing is regionalized. It had to be done. It should have been done regardless. Because if unless you had a separate governing board, which this did not affect that. If you had a separate governing board for a district, then you weren't affected by this type of thing.

DOUGLASS: Maybe you could comment, again, on this school district experimental kindergarten program in Covina that kept popping up.¹

LANCASTER: Well, it was because it kept requiring extensions. This started under Pete Schabarum, and they kept requiring extensions to do this. So, finally, I think this was the bill that took away that and just said, "Go ahead and do it."

DOUGLASS: It took away any restrictions of the state?

LANCASTER: That's right. Now, this private use of public schools. That's different.

DOUGLASS: A.B. 1917.² This is the one I was going to ask you about. Joint occupancy.

LANCASTER: That would allow, for example, the University of La Verne--again, remember this was the era when school districts were way off, they didn't know what they were doing and summer school was abandoned by a lot of school districts--came up with this program to provide teachers in the summer to Charter Oak School District. And these employees came in. They weren't under

¹ A.B. 1282, 1979-1980 Reg. Sess., Cal. Stat., ch. 449 (1979).

² A.B. 1917, 1979-1980 Reg. Sess., Cal. Stat., ch. 165 (1980).

the same jurisdiction of the school district. In other words, they didn't have all the necessary situations as far as benefits and things of that nature. They were private contractors by the University of La Verne, and they would teach summer school, and it was very, very effective. It was working very, very well. But there problems as far as the utilization of the facilities.

DOUGLASS: By a private contractor.

LANCASTER: Yes. And that was a very good program. It has probably been abandoned by now, but I didn't follow it. And the guy who was really head of it over at La Verne left there and went to the state school board. He has now since passed away. He was the president of the University of La Verne. You know who I am talking about.

DOUGLASS: Oh, yes. Armen Sarafian.

LANCASTER: And that was the purpose of that bill. To try to make some sense out of a problem and also codify what I thought was a good idea, frankly.

DOUGLASS: I remember that. The other bill was A.B. 2224 saying that by determination of a school district that additional sites were not needed in the next five years and no major deferred

maintenance would occur, they could keep certain proceeds from the sale or lease of property.¹

LANCASTER: Yes. For nonrecurrable maintenance. In other words, what the school district could do. Take the school bus. What they could do--Charter Oak has been selling property around here, the state was demanding most of it back because of the bonds--this would allow them, I forget the mechanism, to take that money and use it on the maintenance of their existing properties on nonrecurring. It was well defined what was nonrecurring.

DOUGLASS: One time?

LANCASTER: Well, over ten years, when you paint the whole thing. The reason I put this bill in--it was my idea too--was because I was concerned about the maintenance of neighborhood schools. They were deteriorating. In fact, they are deteriorating.

DOUGLASS: So you were concerned that the money would go into the general fund?

¹ A.B.2224, 1979-1980 Reg. Sess., Cal. Stat., ch. 180 (1980).

LANCASTER: Yes. It would be gone. Become part of that big pool in the sky we were developing. Which, by the way, I was very concerned because the big pool in the sky became the primary resource of the big five school districts. And they just ripped us to pieces out here. The big five is guess who? Los Angeles, Oakland, San Francisco, San Diego, and San Jose, and they have been ripping us to death out here for years.

DOUGLASS: You mean by getting priority with the money?

LANCASTER: Yes. When the AFDC [Aid to Families with Dependent Children] program--for example, you have the aid to schools--became a program, the primary beneficiary for it was the Los Angeles Unified [School District]. Then all of a sudden this population shifted to Pomona, shifted to other areas, right. The school district in L.A. said, "Well we can't lose that money." So they put a freeze on the formula in 1977. They have been ripping us off for years. I have no sympathy for those guys.

DOUGLASS: You said AFDC.

LANCASTER: Well, aid to families.

DOUGLASS: Aid to needy families. Which probably underwrote what, school lunch programs?

LANCASTER: Or whatever.

DOUGLASS: I never thought about that.

LANCASTER: They have been ripping us off for years, a long time.

DOUGLASS: The local districts never got their share?

LANCASTER: The local districts wouldn't do anything about it, either. It's unfortunate.

DOUGLASS: Why would that be? Were they intimidated?

LANCASTER: I don't know why. But they knew it. You take categorical aid programs. Bonita School District was getting something like the average of \$200 per student. L.A. Unified was getting the average of say \$1,400 per student. You have to remember where the people who were elected came from in those days. They came from the central cities. Now they don't. Now it is changing. Because, you see, what's happening, now the elected official now in Sacramento--they haven't quite realized it yet and they may not be there long enough to realize it--are actually coming from the suburbs. Which is another reason why I don't like term limits.

DOUGLASS: That's interesting.

LANCASTER: I opposed that bill. I am surprised I survived all this stuff. I publicly opposed it. As I did Prop. 98, too, by the way.¹

DOUGLASS: To what do you attribute the electorate's going to term limits?

LANCASTER: I have to attribute it to the legislature in California. Obviously, it is not just the state. The inability of government to recognize that you've got to get back. We have too much of a professional in office today. And I guess, in a sense, maybe I am one. I don't know. But the fact of the matter is--you know, I think it is a full-time job--they just don't seem to. . . . The districts are too big. For example, my district, the old 62d, now is probably close to 400,000.

DOUGLASS: What was your district when it started, do you remember?

LANCASTER: Yes, I do. A little bit of Altadena.

DOUGLASS: But how many people?

LANCASTER: Oh, I don't remember that.

¹ Proposition 98 limited terms of members of the Congress from California.

DOUGLASS: You have named the areas. I was wondering what percentage growth.

LANCASTER: It kept growing and growing. I was reapportioned four or five times, you know.

DOUGLASS: How does the assembly district compare--of course, a supervisorial district in L.A. County is huge--to a congressman's district?

LANCASTER: Well, a state senate district is bigger than a congressman's district. There are only forty state senators. And if they ever get to eighty. [Laughter] It's an embarrassment.

DOUGLASS: Right. What do you think the downside is going to be of term limits?

LANCASTER: I think you are going to find a couple of things. One is people are not going to necessarily run any more. You'll see probably more of an affluent--a lot of people think that's O.K.--come to the legislature. You'll see more ability of the people who influence legislation doing more and more things. In other words, you will find more and more people who influence legislation becoming more and more effective. Because they are the ones who have the basic background. And they'll be there. I served fourteen years on one

committee. I am as knowledgeable as most of those guys are on the insurance thing. So, consequently, you won't have that knowledge.

The whole thrust was to make the legislature part time. That's the original concept in California. But that would never fly, and so they did it this way. I frankly think it is a mistake. I am pretty much of a strict constructionist, as I mentioned earlier. You know, the founding fathers made a determination that you needed to have people who knew what they were doing. One of the reasons in our complex governmental structure in knowing what you are doing is by being there and beginning to understand it because it is just huge.

DOUGLASS: Have you been tempted to consider becoming a lobbyist with all this knowledge you have?

LANCASTER: You know, Enid. The answer is no. I have not really been paying any attention that much to activities because of my illnesses. Frankly, I would like to become involved in some sort of a commission activity, that type of thing. I want to do that.

DOUGLASS: You would be a likely candidate.

LANCASTER: I am now reaching the point in my health where I am able to do it.

DOUGLASS: I suppose now the pendulum is going to swing to the lobbyists?

LANCASTER: Yes. And probably now to commissions, too, because you will find more and more. . . . You know, term limitation is interesting. With term limits people are shifting all over the place. There is more shifting going on than ever before. You will see some state senators running for state assembly. [Laughter]

DOUGLASS: I know. Like bouncing jacks going back and forth.

LANCASTER: Frankly, I don't think term limitations at the federal level are constitutional, by the states.¹ I could be wrong. The [United States] Supreme Court has got to rule on the question. I don't see term limits passing the constitutional muster. I don't think the small states are ever going to give up their authority with seniorities. You take Nevada. The only way Nevada can really compete with California in the legislative role is by seniority.

¹ Proposition 164 (1992) imposed term limits.

DOUGLASS: Ironically, California is losing all the seniority it was building up in future committees.

LANCASTER: That's right. [Laughter]

DOUGLASS: So you're a hard-and-fast opponent of term limits at any level.

LANCASTER: Yes. I actually am, I really am. Including the presidential.

DOUGLASS: Oh. Because that really was a reaction to [President Franklin D.] Roosevelt's four terms.

LANCASTER: Yes. But, you know, I probably wouldn't have voted for him, but the fact is he was elected. This is a democracy. That's what it is.

DOUGLASS: It is inconsistent?

LANCASTER: Yes. And I am also a Republican. I believe in representative government.

DOUGLASS: We talked about the force account bill.
[Interruption]

Again, here is another Route 30 bill.

LANCASTER: Which one was that?

DOUGLASS: A.B. 2583, which [Sally] Tanner, Mountjoy, you, and [William H.] Ivers carried. It died in committee.

LANCASTER: This is the one. It is still my attempt to build the Foothill Freeway.

DOUGLASS: I have here that it is still identical to the bill Brown vetoed.

LANCASTER: I put it in every year.

DOUGLASS: It went to the Transportation Committee and died, apparently.

LANCASTER: Oh, yes.

DOUGLASS: Again, it required the protection of the right-of-way for the Foothill Freeway.

LANCASTER: Which I finally got done, by the way, which is kind of interesting.

DOUGLASS: What year was that?

LANCASTER: I can't remember exactly. But I kept plugging away, and finally I got them to agree to appropriate money to buy the right-of-way out there. The La Verne thing is the one that started me.

DOUGLASS: The houses they were building in the right-of-way. In it you had the DOT [Department of Transportation] authorized to acquire the right-of-way and start construction in seven years. The DOT recommended that the route be dropped because it was of such low priority, and there was a lack of money and some cities had authorized development. That was their argument against it.

LANCASTER: Claremont was one of them that came out against it.

DOUGLASS: Yes. But we protected the right-of-way.

LANCASTER: Yes, I know you did. And they also eventually turned around and said it was needed, too, as a city.

DOUGLASS: You're right. But we always had the right-of-way on our master plan.

LANCASTER: That was just wise. It was common sense.

DOUGLASS: Yes, but La Verne didn't do it.

LANCASTER: I know.

DOUGLASS: Then Caltrans refused to drop the route and undertook a study.

LANCASTER: Well, that was the issue. Enid, it was a major one. That was what I was really trying to do. I knew I couldn't build a freeway that year or next year because I knew what was happening on the financial resources of Caltrans. But I didn't want them to take it off the books. And so I fought very hard to make sure that route stayed there and is staying there.

DOUGLASS: So out of sight, out of mind.

LANCASTER: And if they want to abandon the South Pasadena lane, go ahead. I don't care. But this one I want to stay. You know, that the [Interstate

Highway] 605 originally on the plan was to go over the mountains.

DOUGLASS: Oh, was it?

LANCASTER: Yes.

DOUGLASS: How would they have done that?

LANCASTER: Go right over the hill, right up San Gabriel Canyon over there. They did it on [Interstate Highway] 15, Devore. They may have done it by now. But, you know, Route 39 that goes over the hill is now closed because of the slides. But they wanted to go down that right-of-way. I said, "No way." "But it's closed now." I said, "Forget it." They wanted to get out from under any maintenance and everything else. And I said, "No way. That's a legitimate route, 39 is a state highway," and to abandon all that. You know.

DOUGLASS: Now they had abandoned the 605 north of the Foothill [Freeway]?

LANCASTER: No. That was on the original map. I don't think it ever was adopted. I was involved in the Foothill Freeway development back in my Duarte City Council days. We signed one of the first agreements with the state on the Foothill Freeway. At that time, the 605, one of the

things we insisted upon was the bridge work at 605 so they would complete the 605. At that time, they weren't going to. We required--and they agreed finally--to put that interchange in there when they completed it. And, originally, when I saw the map to go on over the hill. Which is frankly necessary, but [we] can't afford [it]. Because you know there are not many ways out of here. You have to go fifty miles to leave.

DOUGLASS: You wouldn't have to go clear out to the Cajon [Pass] or to the Grapevine. All right. Here is another one that interested me. This is a bill that was defeated concerning the property tax and annexation. It was defeated in the senate.

LANCASTER: Yes. When Proposition 13 passed, then the fight started between the counties and the cities on incorporations and annexations. In fact, that continued on into modern times, with the City of Diamond Bar, the City of Malibu. And I was a proponent of incorporation. So what I tried to do was come up with a formula that set up a mechanism for splitting revenues.

To encourage annexation, and to encourage the county not to resist.

So, consequently, I got it out of the assembly--and I forget the exact formula--but the counties fought it like mad. The cities supported it. It did favor the cities. But that's what I represented was cities.

DOUGLASS: There was an interesting article in the *Los Angeles Times* on August of 1980 which says it was a major victory for the counties, which were opposed to these efforts to take a major portion of the property taxes.

LANCASTER: Yes. Well, it's not just property taxes. They were negotiating sales taxes and everything else.

DOUGLASS: All the taxes. The whole business of transferring taxes. The article strongly implied or stated that this was a problem resulting from a language gap in Prop. 13. In other words, 13 didn't address that.

LANCASTER: Prop. 13 didn't address that at all. How were you going to split the existing property tax revenues? It said nothing. It was silent on the whole issue. This set up a procedure where they had. . . . In other words, if they

annexed this store over there--I forget the exact language--you would have a certain period of time the county could negotiate and get part of the sales tax for a while. In other words, ease the pain, you see.

DOUGLASS: That gets back to [the fact] that it was a pretty complicated negotiating process that went on, which doesn't seem like that was . . .

LANCASTER: You don't see it so much here. You see it in the area that is starting develop. You see it out in Riverside County. I think what's happened on the issue, though, I think, frankly, more than anything else maybe that bill would help. I think a lot of people grew up.

DOUGLASS: Yes. Because you came very close to getting it through.

LANCASTER: Yes. I sure did.

[End Tape 5, Side A]

[Begin Tape 5, Side B]

LANCASTER: What happened was a direct result of what occurred after the passage of Proposition 13 in '78. This was 1980, if I remember correctly. What happens is they were having all kinds of problems out there in the annexation world and incorporation. In fact, you know we had to pass a special bill on the City of Diamond Bar's incorporation to tell the county to back off. We had to pass a special bill on the City of Malibu incorporation. Because the counties were not relinquishing. They didn't like the sales tax or property tax loss. And Pete Schabarum was the culprit in that, in a sense.

DOUGLASS: He wouldn't give it up?

LANCASTER: Yes, the revenue loss to the counties.

DOUGLASS: Somehow the whole concept of counties being the caretaker of areas that are rural in nature, which is were the whole thing started, has definitely gone by the boards?

LANCASTER: Right. You know, the county's role in California government structure is to provide municipal services where there is not a municipality. That is a key word, is not.

And, also, to provide state services at the local level.

DOUGLASS: It's an arm of the state.

LANCASTER: That's right. And that's what it is.

DOUGLASS: It has become a huge power scene. It is so interesting to see people running for the board of supervisors of these big counties and leaving the legislature.

LANCASTER: Oh, sure. Absolutely.

DOUGLASS: There is more power there, is that one of the reasons?

LANCASTER: At that time it had better salary. I don't know what the salaries produced. [Laughter]

DOUGLASS: Well, [former Assemblywoman] Marian Bergeson has certainly gone into an interesting mess.¹

LANCASTER: Yes, that is interesting. You know, that is kind of a classic thing, too, when you think about it. I guess Claremont was involved in this thing. You know, this guy was betting--evidently from what I read in the paper--on the interest rates going down. Now why he thought that I have no way of knowing, the interest rates going down, because they had to go up.

¹ Assemblywomen Marian Bergeson was elected to the Orange County Board of Supervisors in November 1994.

They were as low as they were going to get. But, you see, what happened was. You have to think about what happened. They said, "My program is going to make you a billion dollars." So the county proceeds along the lines of spending that money.

DOUGLASS: Of spending the money?

LANCASTER: Otherwise, you wouldn't have a deficit, would you?

DOUGLASS: The money they are counting on.

LANCASTER: Now Claremont, I guess, did not.

DOUGLASS: No. Claremont put in \$5.7 million.

LANCASTER: Yes. But I don't think they counted on the revenue coming back and spending it on their budget, have they?

DOUGLASS: No. It is not part of their operating budget.

LANCASTER: So some place along the line the County of Orange got themselves, I guess, in this mess of spending money they didn't have. And it didn't materialize.

DOUGLASS: Part of Claremont's problem, of course, is this business of borrowing money and then taking it and investing money in something else.

LANCASTER: I didn't know they were doing that.

DOUGLASS: Claremont apparently did that. So they have, I think, something due in July that they have to settle.

LANCASTER: Oh, that's a mistake. You are not talking about risk money.

DOUGLASS: No. Claremonters don't feel any of our money is risk money. [Laughter]

LANCASTER: O.K. You know, if you are investing in something, if you are going to go out and buy a mutual fund, your common sense would say I take money that I can afford to lose, if that's what it amounts to. And, also, if you are going to make higher interest, you are going to have a bigger risk. I don't care what the. . . .

DOUGLASS: Do you think this whole business of manipulating financial matters has gotten so sophisticated and to such a degree that public money shouldn't be involved?

LANCASTER: No. I don't think so at all. I think public money could be utilized for lots of good purposes. In fact, a community should have an investment program. But what's happened--and I don't know anything about this guy, the treasurer down there--you elect a treasurer in this day and age, unless he just happens to be

a whiz and a good guy and a CPA [Certified Public Accountant] and everything else, really is not the guy to do this. It has to be a trained financial person. The state invests public money all the time. Millions. Billions, actually. Boy, believe me, under that retirement fund, that thing is watched like a hawk. We've got professionals, and they get paid well to do the job. That's what you need. And also have better disclosure laws, probably.

DOUGLASS: They didn't have a real finance committee, did they?

LANCASTER: I don't think so.

DOUGLASS: In other words, he was pretty well running the operation.

LANCASTER: Well, the board was the oversight, but they were just okaying his stuff.

DOUGLASS: Then they used the excuse that he was elected treasurer.

LANCASTER: Oh, he was.

DOUGLASS: Should it even be elected?

LANCASTER: I don't think so.

DOUGLASS: He should be appointed?

LANCASTER: He ought to be a finance officer. We had a city treasurer. Let's go back to the old days when the treasurer was a local guy, and he went down to the bank. He's talked to Joe, the banker, and said, "Joe, I am going to put a hundred grand here. In three months what will you give me?" And he would say, "I'll give you 3 percent." "O.K., fine." That's it, you know. [Laughter]

DOUGLASS: Those days aren't so far away, actually.

LANCASTER: That's right.

DOUGLASS: Let's talk about the election of November of '80. And Mike Curb was elected as lieutenant governor, and Deukmejian was elected as attorney general.

LANCASTER: That's the first time, to the best of my knowledge, that we came up with this whole concept of a lieutenant governor being of the opposite party to the governor.

DOUGLASS: Yes. Is that a first?

LANCASTER: I think so. I don't know of any other occasion when it happened. Now we see it as a common thing. I am not too wild about that, to be honest with you.

DOUGLASS: It has its problems.

LANCASTER: Yes, it does. I really would rather see a federal system in California, where you have the governor and lieutenant governor as teams. You are looking at continuity. And one of our problems in California is continuity. So if you don't have a lieutenant governor that is on board with the governor. . . . Because, let's face it, any governor of California is a potential presidential nominee, automatically.

DOUGLASS: So when Brown left the state, of course, Curb did a few things.

LANCASTER: Yes. And he went beyond what he should have been doing.

DOUGLASS: I suppose [Governor Pete] Wilson could get nervous about [Lieutenant Governor Gray] Davis.

LANCASTER: Well, I don't know. Gray is an activist kind of guy.

DOUGLASS: Not that he would necessarily do the same things as Curb.

LANCASTER: No, I don't think he would.

DOUGLASS: But you've always got that nervous kind of feeling?

LANCASTER: I don't think that's right. Particularly in a state with a fifty-five billion dollar budget and everything else. I, frankly, would favor a

constitutional amendment to change that. Now the rest of them, though, I think ought to be separate because there are certain roles of function in state government that is well defined in the constitution. The lieutenant governor just is there. [Laughter]

DOUGLASS: Sort of like the vice president?

LANCASTER: Yes, in a sense.

DOUGLASS: You ran against Gary Miller, who beat somebody named [Robert J.] Wilson. You had no primary opposition. Actually, through this period you didn't have any primary contests, did you?

LANCASTER: I had one in 1978. And Gary Miller ran against me in the Republican primary.

DOUGLASS: Oh, he did.

LANCASTER: And I beat him.

DOUGLASS: He switched parties?

LANCASTER: He switched parties and defeated Wilson.

DOUGLASS: There was a contested Democratic primary.

LANCASTER: Gary Miller was on the West Covina city council. And I beat him in the runoff both times.

DOUGLASS: You beat him by quite a bit.

LANCASTER: Then he was defeated on the city council by Forest Tenant.

DOUGLASS: Oh, he was.

LANCASTER: Yes, a little history here.

DOUGLASS: That was in the early eighties then?

LANCASTER: Then Gary Miller got elected to the Mt. San Antonio school board, and he was on the Mt. Sac [San Antonio Community College] board. He was just recently defeated by Mrs. [] House. He ran as a school board member on the AIP [American Independent Party], George Wallace ticket. And now he's back as a Republican. He was a write-in candidate for the state senate seat. The rumor is that he is going to run for the assembly seat.

DOUGLASS: What does he do for a living?

LANCASTER: He's a teacher.

DOUGLASS: I see. So he has some flexible time.

LANCASTER: I guess. I don't know. Gives you a history on Gary Miller. That's not the Gary Miller from Diamond Bar. That's a different Gary Miller.

DOUGLASS: So his base was West Covina?

LANCASTER: Yes.

DOUGLASS: To start on 1981-82. This is the year Willie Brown got the speakership.

LANCASTER: This is going to take a while. Unfortunately, I do have an appointment.

DOUGLASS: All right. Do you want to just go to another subject briefly then?

LANCASTER: O.K., that's fine.

DOUGLASS: You are still vice chairman of the Rules Committee.

LANCASTER: That's right.

DOUGLASS: This was the first time you were on the Transportation Committee, '81, and you served until '92. Did you ask for that?

LANCASTER: Yes. Because I was interested, obviously, in transportation things.

DOUGLASS: So you just wanted to stay with that because of your interests.

LANCASTER: Yes. You know, that was the year, in '81 is when we started on the whole transition of the transportation program. We formed the new Caltrans. We did the tax increase on gas. We earmarked dollars. We started multi-modal. That's the words they use. I got involved in that program and really started to take a hard look at the needs of the state.

DOUGLASS: It is very complicated, isn't it?

LANCASTER: It is complicated. Well, our needs are very complicated. Like I say, you just can't do it with one thing. And, of course, when I was on

Transportation, later on I really fought against this tunnel.

DOUGLASS: You fought which tunnel?

LANCASTER: The Wilshire Boulevard tunnel.

DOUGLASS: Oh, the subway.

LANCASTER: I think that is the greatest waste of public funds. Because they can build it on the surface like the rest of the world is doing.

DOUGLASS: Or if they were going to have a subway, maybe it should have been built a lot earlier?

LANCASTER: We don't need a subway.

DOUGLASS: You don't think subways will work in the L.A. area?

LANCASTER: Well, they'll work, but, boy, the money that is utilized to develop a subway system is tremendous. Anyway, we're not going under anything. You build subways when you go under rivers or bays or something. I think they did it more for the aesthetic value, under Wilshire Boulevard. And, you know, they really did some very strange things out there. The stations are built by special districts. Now when you form a 1911 act special district, or 1913 act or whatever it is, you make sure that every piece of property in that district receives a

benefit from that district. In other words, that's the law.

DOUGLASS: Is it the Landscaping and Lighting Act?

LANCASTER: That's a construction act. That's the thing you build sewers and stuff like that. But, see, when they build the stations, they, in effect, put together a split roll. They exempted all the residential property from paying the assessment, and you charged all the assessment to the commercial under the guise that the stations benefited the commercial. But the fact of the matter is the benefit is also to the residential because the residential. . . . So you are benefiting from the assessment district paid for by somebody else. I don't like that concept at all. A benefit assessment district is just that. All property benefits. Some benefit more than others. It depends on what you've got. You know, those are houses. That type thing.

DOUGLASS: Well, there are arguments about where the stops are going to be in terms of benefit, within the corridor.

LANCASTER: Of course, if your hot dog stand is right at the top of the stairs. [Laughter] And I

think, frankly, they should have run a surface program out there. Have the trains just like the Metrolink goes right by us.

DOUGLASS: It seems to be working quite well.

LANCASTER: It does. Now the Metrolink is bogged down by the tunnel.

DOUGLASS: Because nothing is happening . . .

LANCASTER: At the other end. That's right. Streets are sinking and stuff.

DOUGLASS: I wanted to ask you about the Policy Research Management Committee. I lost track of that. That was the first year you were on it. I am talking about '81-82.

LANCASTER: This no longer exists. It was to try to develop a staff for long-term research into various and sundry issues. One like transportation, you know, business climate. It just didn't seem to get off the ground. I don't know. It was a good idea, I thought. And I was happy to participate, but we really didn't do much.

DOUGLASS: So you and Papan were both on that.

LANCASTER: Yes. Well, it was because of the Rules Committee situation. In other words, we would

have had to be involved in staffing and everything else.

DOUGLASS: But this was a separate committee?

LANCASTER: Basically, yes.

DOUGLASS: So it was really short lived. That's why I don't find it in the listings.

LANCASTER: Yes. Willie Brown had the idea, and he was right. Something got in the way of the whole program.

DOUGLASS: Was this an outgrowth of your being on the Rules Committee or was this sort of . . .

LANCASTER: Rules. Yes. Administrative arm and we were back involved.

DOUGLASS: You weren't on the Local Government Committee during this period. There is no tradeoff there?

LANCASTER: No.

DOUGLASS: This was not local government oriented.

LANCASTER: No, no. But, actually, in a sense, it--I won't call it a direct tradeoff--but a tradeoff is that you only get to serve on three or four committees. Actually, if you want to call a tradeoff, I went off Local Government to Transportation.

DOUGLASS: Oh, you did. How much of your time did being on the Rules Committee take? Was that an onerous amount?

LANCASTER: Yes. Not onerous, but it was a lot of time. Yes.

DOUGLASS: So it really meant you had less time for other committees?

LANCASTER: Basically. Particularly, I was very active in it. We were rebuilding buildings. We were doing that kind of thing, you know.

DOUGLASS: Then as vice chairman, what kinds of responsibilities did you have?

LANCASTER: Well, if the chairman wasn't around, you were the chairman.

DOUGLASS: Yes. But, as vice chairman, were there any other specific things you did?

LANCASTER: Yes. As I have said, I had my own staff for assignment of bills. One guy. And I brought aboard and trained him how to do it. And he would do all the research for me for the Republican members. He worked for me because I was the vice chairman on assigning legislation. He'd review the staff's suggestion and comment on it. And go in there and work with the

Democrat staff on the assignment of legislation.

DOUGLASS: Was there sort of a quid pro quo here that . . .

LANCASTER: It wasn't a quid pro quo. See, we also defined areas of responsibility. That was not easy. What is the responsibility of this committee? We used to have people jockeying for bills.

DOUGLASS: As to what were their policy areas?

LANCASTER: Yes. One chairman would say, "Gee, I like that idea," and go grab, and this kind of stuff. He shouldn't have it in his committee. It should have been in some other committee.

DOUGLASS: But were you supposed to be a reflection of how the Republicans wanted these bills assigned?

LANCASTER: Well, I had a staff. The Republicans had a staff at that time to work with the Democrat staff on making sure legislation. . . . First, we defined the role of the committee. What their area of responsibility is.

LANCASTER: And then, to make sure there was no bill going misdirected, each side had a person that sat down there and reviewed that when it was assigned.

DOUGLASS: This was a Republican and a . . .

LANCASTER: Remember, we are dealing with thousands of bills. [Laughter]

DOUGLASS: In other words, each side had an input . . .

LANCASTER: Yes.

DOUGLASS: . . . on a particular bill. It wasn't a matter of bills that were introduced by Republicans . . .

LANCASTER: First, you have the biggest argument and the biggest discussion was on what the policy parameters are of that committee, Finance and Insurance. In fact, that's when Commerce got on.

DOUGLASS: The Rules Committee defined that, right?

LANCASTER: Yes. With the speaker's office. Then we did that. The Rules Committee put that together, and then we put together the staff, of just basically two or three people, to review legislation that was introduced and bring it to the Rules Committee with the recommendation of where to assign it.

DOUGLASS: So was that your responsibility?

LANCASTER: Yes. One of two.

DOUGLASS: And the other was Papan?

LANCASTER: Papan, basically

DOUGLASS: In other words, you as the Republican and he as the Democrat?

LANCASTER: Yes.

DOUGLASS: Were there many disagreements?

LANCASTER: Not many. Most differences were ironed out in advance. But you have to understand. Papan and I had a very good working relationship. But once that stops. Once it becomes politicized, then they just sent them wherever they wanted to.

DOUGLASS: It must be just chaos?

LANCASTER: Well, no, there was no chaos for them. They've got one more than the other guy. They just send them.

DOUGLASS: What I meant is there isn't as much logic, maybe, to where they are going.

LANCASTER: It got back into politics. In other words, bills can be killed or passed, depending upon which group of people you hand it to.

DOUGLASS: It went to the policy area first and then to the financial aspect of it.

LANCASTER: Right. If it had financial implications.

DOUGLASS: What a job.

LANCASTER: Yes. That is critical to the process. See, before, the speaker used to do that. So if I

had a bill, I would introduce the bill, and I would go to the speaker's office and say, "Gee, I would like this bill assigned to this committee." I am not saying I did that, but this is what happens. And that person would assign that bill to that committee, maybe, if the speaker said, "O.K." But he never saw it. And so it was all done out of the speaker's office.

This changed that procedure to bring the legislative assignment back to the house itself. Which I think makes sense. That's what the Rules Committee ought to be.

DOUGLASS: Just during the time you were on that committee did the number of bills seem to surge?

LANCASTER: No, not really.

DOUGLASS: Did you see about the same number?

LANCASTER: Yes. Of course, everybody was complaining about the cost of a bill. And the way you bring down the average cost of the bills is to introduce more bills. [Laughter] Think about that. If you have less bills, it is going to cost more. And we are all striving to cut down on the amount of bills because, frankly, not

necessarily--the expense was part of it--it is the workload you are creating.

DOUGLASS: I did notice as I went through all your bills, how many more bills there were as time passed.

LANCASTER: I would always try to keep about twenty, twenty-five.

DOUGLASS: I don't mean your bills. It just seemed like there must have been a lot more bills in the late eighties than there were in the . . .

LANCASTER: Yes. Well, some people would put in 200 and maybe 300 bills.

DOUGLASS: Is that a limitation that your committee considered?

LANCASTER: Yes. We tried to. In fact, I voted for a limitation on bills. Then you run into First Amendments and all kind of things.

DOUGLASS: I know you need to go. I appreciate this.

LANCASTER: No problem.

[End Tape 5, Side B]

[Session 4, January 30, 1995]

[Tape 6, Side A]

DOUGLASS: One of the events that certainly to seem to have a parallel now, in some ways, is Willie Brown and the speakership. At that time, the

. . .

[Interruption]

There had been a fight apparently within the Democratic party between McCarthy and Berman, as I read about it. You can fill in what you saw or what you knew about it.

LANCASTER: Let's go back, Enid, prior to 1980--that was 1980, I believe, or 1981--Bob Moretti was the speaker when I went to Sacramento. And one of his chief lieutenants was Willie Brown. When Bob Moretti decided to run for governor in 1974, his choice for his replacement was Willie Brown. Leo McCarthy at that time decided to become speaker and took on Willie Brown in '74 for the speakership. Which I thought was kind of interesting because they are both from San

Francisco. In fact, they had adjacent assembly districts.

DOUGLASS: Did you have any particular opinions as between the two?

LANCASTER: No. I voted for the Republican.

DOUGLASS: I understand that.

LANCASTER: Between the two, no, I had no particular preference. And what happened in 1980-81, Howard Berman, now a congressman from the west Los Angeles area, decided to take on Leo McCarthy for speaker. Leo McCarthy contested and became very close and very bitter. Between two Democrat camps.

Well, the Republican role in this became quite interesting. Willie Brown wanted to be speaker, as I have mentioned earlier, because that is what he thought he'd do after Moretti left. He put together a coalition of Republicans, including myself, and Democrats, and came together. Because the Republicans could not vote for Howard Berman or for Leo McCarthy. Nor did we have enough votes, unfortunately, to elect our own leader, who at that time was--originally when it started was Beverly but it ended up Hallett--Carol Hallett.

She is the one who made the arrangements with Willie Brown to put this thing together. And that's how Willie became speaker in the first place. And he had a commitment to do certain things, which he did do, relative to the house itself and committee assignments. Things of that nature. But then after two years, he had cemented himself in, so to speak, as obviously the speaker and has been there ever since.

Now the parallel to today is that Willie Brown has fourteen years experience as speaker and is very much aware of the rules and the law relative to the circumstance and the authority --some call it power--that the speaker has and to use it to, I think, advantage to reclaim this year his speakership. Though I consider his act to be a violation, not of the law but of conscience, by prohibiting Mountjoy from voting. Which I don't think he ever should be able to do where the person is certified as elected. That's what he did.

DOUGLASS: Even though the person is certified as being elected to another office simultaneously?

LANCASTER: No. He was certified but he wasn't sworn in.

DOUGLASS: No. I know that.

LANCASTER: Mountjoy was actually certified and sworn in. I don't think you should be able to remove a member by a simple majority of those present.

DOUGLASS: I follow you. Power politics.

LANCASTER: Yes. What he did I think, frankly, is obviously precedent setting, and that precedent should be erased. Hopefully, somebody in the Republican party or the legislature will take it to court for judgment.

DOUGLASS: You mentioned now that you. . . . Were Howard Berman and McCarthy so polarized that in no way would the Republicans get behind one or the other of them?

LANCASTER: Well, no.

DOUGLASS: In other words, you saw Brown as the . . .

LANCASTER: Brown was the alternative to those two.

DOUGLASS: . . . alternative?

LANCASTER: Unfortunately, there was not a Republican alternative.

DOUGLASS: No, I understand that. But you couldn't see yourself supporting Berman or see yourself supporting McCarthy?

LANCASTER: No.

DOUGLASS: So that was the answer. I have read a bit about this, and as I understand it, the comments were that all business came to a screaming standstill in the assembly while this was going on. Was that your perception of it?

LANCASTER: Well, not totally. Not like it is today, was very recently. Because without the election of a speaker business does come to a standstill. But things did go on because McCarthy was still the speaker.

DOUGLASS: But the energies of everyone were being diverted?

LANCASTER: Well, the energies were all devoted to this whole discussion. Right.

DOUGLASS: That's really what I meant. More than procedural. Everybody's focus wasn't on . . .

LANCASTER: That's where the attention was. That was the attention gatherer, if that's a word, attention getter, and it got so interesting. You would hear all these stories about members, you know, going to their houses and making sure they were on certain places to vote at a certain time, and all that kind of stuff. It is kind of interesting.

DOUGLASS: Yes. It must have been pretty frenetic?

LANCASTER: Not for me. [Laughter]

DOUGLASS: Not for you but those playing the game. You and your fellow Republicans pretty much felt alike. That is, you should support the compromise candidate because that was the only way to . . .

LANCASTER: Remember, Willie could not have won that without both Democrat and Republican support. So he was able to gather enough Democrats from fed-up Democrats, I guess, and enough Republican support to bring him in.

DOUGLASS: Was the first blow when the reapportionment started in '81 and the Republicans felt they had been taken advantage of, so to speak, in the redistricting proposal in the assembly?

LANCASTER: Yes. I don't know whether you would call it a blow or not.

DOUGLASS: Well, it got Republicans' attention, I gathered, enough to start reacting in the form of a referendum for the redistricting?

LANCASTER: Yes, it did. And there was no reapportionment that was fair overall to the Republican party conducted by Democrats. That is just not what happens. And I am not going to say to you that the Republicans would be any different. It

probably would not have been. But the reapportionment at that time was a real science in the development. Because now it can be pinpointed right down to the neighborhood.

DOUGLASS: Yes. Because of computers. In fact, the Republican party bought the. . . . The Rose Institute had a data base called DIS, for district, and they offered it to both parties, but the Republican party bought it.

LANCASTER: Of course.

DOUGLASS: And the Democrats were backing off.

LANCASTER: Well, they had their own system. That was the days of Howard Berman's brother, Michael Berman, and he was kind of a guru, if that is the word to use, of that activity. And, of course, on the congressional level you also had John Burton's brother, who now has since passed away, [Congressman] Philip [Burton].

DOUGLASS: I want to look through a little more of that in a minute. But I also want to bring in the fact that in January of '82, Robert Naylor was elected minority floor leader. Hallett had been the minority floor leader. How did that transition occur? Did she want out? Or did the caucus want someone else? What happened?

LANCASTER: Carol Hallett, if I remember correctly was a candidate for statewide office.

DOUGLASS: Yes. For Lieutenant Governor.

LANCASTER: I think that's right. And when she did that, in effect, she had to step aside.

DOUGLASS: What do you have to say about the choice of Naylor?

LANCASTER: Bob Naylor was a lieutenant of Carol Hallett and part of that school. Now I ended up voting for Bob Naylor for minority leader. And, frankly, I ended up as a supporter. I thought he was doing the right thing. But then he was removed by Nolan, you see. So the Republican party started to disintegrate from the standpoint of factions and the caucus. And we went through a whole process on that, too, for about six months.

DOUGLASS: Yes. There was an article in the *California Journal* when he first went in as minority leader.¹ It read as his having a reputation as sort of a nice guy kind of person.

LANCASTER: Bob Naylor?

DOUGLASS: Yes.

¹ Vic Pollard, "Bob Naylor's on-the-job training as Assembly Republican leader," *California Journal* (March 1983), pp. 103-104.

LANCASTER: Yes, he was a nice guy.

DOUGLASS: At that time that was the perception. He was fairly new in the legislature, as I recall.

LANCASTER: Well, they all were. Hallett was, Naylor was, and I guess that I was really raising questions. Frankly, I had come from the school of thought that you should be there for a while before you seek that kind of a job. And, of course, that has gone by the boards now. Because nobody is going to be there longer than six years.

DOUGLASS: In order to be effective you need to know your way around a little?

LANCASTER: I think so.

DOUGLASS: Well, it was during his period as minority floor leader that the caucus removed you from the Rules Committee. I certainly would like to get that story from you.

LANCASTER: Well, that's when Naylor and the group that Naylor supported, you know, originally, was trying to make a change by politicizing the Rules Committee. Pat Nolan and that group had a great influence on Naylor at that time. And, as it worked out, they turned, in a sense, against him and removed him. That was the

basis of the whole thing. Trying to change what the Rules Committee function, role, was traditionally in our house. And I, frankly, resisted that. And they got more to agree with them than with me. So, therefore, I. . . .

DOUGLASS: How many would have been in the caucus then.

LANCASTER: I don't remember.

DOUGLASS: You were about fourteen?

LANCASTER: No. We were more than that. We were in the twenties.

DOUGLASS: Right. That was earlier.

LANCASTER: Or thirty. Anyway, I didn't get enough votes. And I don't remember exactly what the vote [was].

DOUGLASS: Was Nolan, in a sense, running things a bit when Naylor was minority leader?

LANCASTER: Yes. And I think Naylor--I don't know this for a fact--but I believe Naylor was resisting that kind of activity. I have never been a fan or supporter of Pat Nolan because I don't think he had the interest, necessarily, of everybody at heart. I think he was more personally interested in the authority of the job. That's my personal opinion.

DOUGLASS: So, in other words, Nolan was a focal point, had been there a while, and knew the ropes.

LANCASTER: Yes.

DOUGLASS: So he would be a logical person around which power might focus?

LANCASTER: Oh, yes. He had his group.

DOUGLASS: And, also in terms of Naylor's experience in making policy, someone like Nolan would have more clout, I would assume.

LANCASTER: Well, Enid, it's a simple fact that if you don't have the responsibility, it's obviously easy. So, consequently, Naylor had the responsibility of trying to lead and trying to work out whatever needed to be worked out, as far as legislation and this kind of stuff was concerned, from the minority viewpoint. Eventually, you are going to have trouble unless you have a group of members of your caucus who understand that. And, very honestly, I don't believe that the people around Nolan understood that. They had a different agenda. And, eventually, it got Pat Nolan, too. Knocked him out.

DOUGLASS: I did read that Papan, apparently, was outraged when you were removed from the . . .

LANCASTER: Yes, he was. Lou and I worked very closely together. We were obviously of different philosophical persuasion. But both of us came from the same school of trying to bring forth the Rules Committee--and we did--into the sunlight, so to speak. We started things like I mentioned earlier such as job descriptions for our employees, establishing ranges for our employees. Doing surveys on comparable salaries and benefits. Upgrading, you know, the various activities. Whether it be the state police or the sergeant's office. All of these things brought forth needed changes.

DOUGLASS: You shared these interests apparently?

LANCASTER: That's right. And we did the remodeling of the capitol and the remodeling of the office building. All of those things were kind of worked together during that time. And we developed a very good working relation, which, by the way, was part of the reason, I presume, that some Republicans wouldn't vote for me. They didn't think I was the right one. They wanted more of a politicized. . . . But I didn't look at the Rules--and still don't look at--Committee as that type of function. And I

noticed one thing. According to the paper, they are going back to that.

DOUGLASS: Yes. I saw that in the *Times*.

LANCASTER: Yes. Because they realized the only way you can curb the speaker's authority is to go to a system more like the senate has, where the Rules Committee is a factor. The majority party will out. But the fact of the matter is, as I mentioned, that the Rules Committee is a part of the system.

DOUGLASS: Yes. It can become more neutral territory?

LANCASTER: And so when the program changed, on the Rules Committee, and the Nolan people won and I was removed, then what happened was it became politicized and the Democrats just shifted all responsibility to the speaker's office. The Rules Committee just became a function of the speaker's office. {Laughter}

DOUGLASS: So you think there is a direct cause and effect that the politicization of the Rules Committee led to, not the other way around?

LANCASTER: It actually increased the power of the speaker. That was a natural result.

- DOUGLASS: Yes. But that isn't what the people who were politicizing it wanted. That is, the Republicans at least.
- LANCASTER: Well, you know, I have a belief, but, frankly, I am not too sure that person, I don't think, had thought out what was going on. If Nolan ever became speaker, he would want the authority.
- DOUGLASS: Things do happen like that.
- LANCASTER: So now what you've got is sharing of authority, and I am told that the Rules Committee will be playing more of a prominent role. That's fine. I'm for that.
- DOUGLASS: It sounds like it, in terms of the agreement that has been struck with Brown.
- LANCASTER: I don't think there is any agreement now, but that's what Brown is saying.
- DOUGLASS: Well, an operative arrangement, day-to-day, let's say. Whether that is any kind of a pact, I don't know.
- LANCASTER: I doubt it. The reason I think that's important to understand--I am going to repeat this a little bit--that's when the whole thing changed, and it literally increased the ability and power of the speaker's office. Remember,

this is just after Willie took over and under Beverly and Priolo, who were going the other way, we got the speaker's office to agree to certain things. And, actually, Willie would probably have been agreeable to certain things, too. But the problem was that the Republicans had its own agenda--or some of them did--and once that started, the Rules Committee became a tool for political purposes. Which was a mistake.

DOUGLASS: What was your view of him right at that time?

LANCASTER: Who? Willie?

DOUGLASS: Yes, '79-80.

LANCASTER: Bright. Articulate. Liberal. And that hasn't changed.

DOUGLASS: Obviously, you felt he was capable enough . . .

LANCASTER: Oh, he was very competent. Yes.

DOUGLASS: . . . that you were willing to try this arrangement.

LANCASTER: Yes. Right. Well, you know, it was because of the arrangement that was made with the Republican caucus.

DOUGLASS: Yes. It gets complicated, doesn't it?

LANCASTER: Well, not really. It's a fact. But, you know, you can't go on. One thing that couldn't

happen, the house couldn't go on the way it was. Because, right, all the energy was devoted to that issue.

DOUGLASS: I want to talk about a few bills in here. One is A.B. 335, Route 30, which I don't think did pass. It was 1981-82. It was to protect the right-of-way of Route 30. And I don't think it passed. What was interesting was that the Department of Transportation opposed the bill.

LANCASTER: Well, they opposed it on the basis they don't want any legislative act that required them to do these things. The Department of Transportation, which used to be called the old Board of Public Works, is very protective of their prerogatives, and one of their prerogatives is to make judgment decisions on what right-of-way shall be protected and what shall not be protected.

The bill did not become adopted, but there was a policy change and the right-of-way money was put in the budget to the acquisition of hardship circumstances in that right-of-way. So although the bill didn't become law, the fact became reality. And the right-of-way has

been, and still is being, protected. Remember this is the year when the houses started being developed in La Verne.

DOUGLASS: Claremont supported this bill.

LANCASTER: Oh, yes. What it did was, in effect, by law says you shall protect this right-of-way.

DOUGLASS: Right. I guess the Department of Transportation opposed it, as you said, on the basis it should be handed to their STIP [State Transportation Improvement Program] and not within their own system.

LANCASTER: But, remember, this is the time, too, Enid, that the whole Department of Transportation is going through a very dramatic change.

DOUGLASS: I had not really known that.

LANCASTER: Because, first of all, the revenue sources were not there. After the tragedy of the seventies where inflation was spiraling and we had a gas situation, gas and oil problem, and we were hooked to the gallonage tax. And as the consumption went down, which it had, because people were demanding better mileage and lighter cars and all those kinds of things, the projected revenues did not materialize. So, consequently, what happened was they were going

through this, and they were looking around for places to not participate any more. That's what kind of triggered me into this whole thing.

DOUGLASS: And, also, just to wind this up, that same session, in 1982, there was Assembly Concurrent Resolution 105 on Route 30, which requests the Department of Transportation and Caltrans to proceed with all necessary steps to construct, from near San Dimas to Route 15, the four-lane freeway. And that did pass.

LANCASTER: Yes. It put the legislature on record.

DOUGLASS: A concurrent resolution is an expression of intent?

LANCASTER: Of opinion. Yes, it does.

DOUGLASS: I mean if it passes, that means . . .

LANCASTER: That's right. That's what the intent of the legislature is. And, also, again, this was just after Mrs. Gianturco, who was the transportation secretary under Jerry Brown. She was of the belief that the freeway route out there should have been abandoned, and a big part of their philosophy was to get you out of your car and into something else. So this was important because this showed a change in

direction from that philosophy back to saying "yes," this is a needed. . . .

DOUGLASS: So this was pretty directive.

LANCASTER: But, you know, it's not mandatory, but it's also part of the subject.

DOUGLASS: It builds the case?

LANCASTER: That's right.

DOUGLASS: To back up just a little, you had a bill [A.B.] 1071, passed in 1982, or at least on the books in 1982.¹ It had to do with annexation and negotiating the exchange of monies. It partly had to do with timing, I guess, because you addressed a window of time--from January 1, 1978 to July 28, 1980--in which the settling of those negotiations had not been in effect. I couldn't quite figure that out. Do you remember?

LANCASTER: Yes. Let me go back a little bit in the history on this because this is important. It was really a huge change in direction in California on what occurred. Prior to the '78 situation of Proposition 13, or prior to '79, the policy of the County of Los Angeles, and

¹ A.B. 1071, 1981-1982 Reg. Sess., Cal. Stat., ch. 103 (1982).

probably most counties, was to encourage annexation by cities and remove county jurisdiction for municipal services. But that changed dramatically when all of a sudden we had a flat four-dollar tax rate, caused by [Prop.] 13, and the revenues were controlled as far as what the percentage of growth would be. I think it was 2 percent. The county then realized that all this--particularly the vacant stuff--was critical to them, in order for them to receive the full share of that four dollars.

DOUGLASS: The more acreage, the better.

LANCASTER: And particularly raw land. And, also, the ability to collect sales tax. Because what Prop. 13 did, initially, was to kind of just hold back residential development and encourage commercial development. And every community, including the county, that can change in direction wasn't that much interested in the development of residential any more. They were interested in development of commercial because it was a revenue source to replace their loss of property tax.

So every time then after that period of time, the cities would start their annexation

programs, the county would, in effect, go to war with them. And they started arguing over things like 7-11 grocery stores and things because there it was. [Laughter] And what this bill made every effort to do was, rather than having a negotiating circumstance and animosity and all that developed, to set up a formula that would be followed all. Everybody would know going in what the reality was if this annexation went through.

DOUGLASS: So there were ground rules, so to speak?

LANCASTER: Ground rules. But there were none at the time. The bill did not pass.

DOUGLASS: No, it did. [A.B.] 1071 passed. I have it on the books that it passed . . .

LANCASTER: Oh, yes. You're right. This was a follow-through on when I tried . . .

DOUGLASS: You had another bill on this.

LANCASTER: That's right. And this was a follow-through in order to. . . .

DOUGLASS: We may have mentioned the other one. It was earlier, wasn't it?

LANCASTER: We did. Yes. And so this basically was the follow-through to develop that circumstance.

DOUGLASS: Because I think there was a window problem where something hadn't been resolved.

LANCASTER: That's right. After a period of time I did that. It is chaptered, right. And, basically, this was the first step to bringing about some reasonable thing. What's happened since then I'm not really sure. But I notice the bitterness doesn't exist any more like it did before.

DOUGLASS: No. It has calmed down. Incidentally, do you see any other bills [we should cover]? I tried to pick out the ones that I thought were probably important, but undoubtedly I missed bills that you think are important.

LANCASTER: Well, they're all important. [Laughter]

DOUGLASS: Yes. Bills that you might have something to tell about that wouldn't be in the record is what I am getting at. There are two or three more. One was A.B. 1961, the Escrow Agents Guaranty Corporation, which I know you thought was important, and it was a new group.¹

LANCASTER: Yes. Brand new. In fact, I set it up, and it is still functioning today. All escrow agents,

¹ A.B. 1961, 1981-1982 Reg. Sess., Cal. Stat., ch. 1106 (1982).

except those who are licensed realtors, have to belong to this Escrow Agents--I called it-- Guaranty Corporation. I have since changed the name of that and took out the word guaranty because it is not a guaranty.

DOUGLASS: So it is called the Escrow Agents Corporation?

LANCASTER: That's true. Escrow Agents Fiduciary, or something like that.

DOUGLASS: It's another word.

LANCASTER: That's right. At the time we did that we didn't have that. The misunderstanding that has been created by the savings and loan situation and, also, at that time, there was a thrift in San Jose, I believe, that went bankrupt. They were part of what they called the California Guaranty Thrift Fund, which was essentially abolished. So I realized this was not a guaranty, that it was misleading.

So, basically, what it did, because they could not get their insurance for embezzlement, things of that nature, their bonds, and the state requires them to be bonded because escrow agents handle a tremendous amount of money and it goes into accounts. So the escrow agents really came to me with this as an idea because

they were having all kinds of problems. And we hashed it out and came out with this concept. Now if they have a performance problem. . . . But they have to meet a certain deductible as an association, corporations they are. Then after that they have a blanket bond. So it's working.

DOUGLASS: So that worked for them and that solved the problem?

LANCASTER: Yes. And it also protects the people who go through the escrow agent. Because you know you give an escrow agent \$50,000 or something. He's got it and what are you going to do. And there has been embezzlement.

DOUGLASS: So it wasn't until then that something was on the books?

LANCASTER: The law required them to carry the bond, but each individual escrow agent had to get his own. And they couldn't get them.

DOUGLASS: So that's still on the books?

LANCASTER: Yes.

DOUGLASS: With a little different name?

LANCASTER: That's right. Changed the name and took out the word guaranty. It really isn't a guaranty.

DOUGLASS: Yes. That sounds nice. Guaranty with a "y" doesn't mean anything different from "ee"?

LANCASTER: I don't think so. [Laughter]

DOUGLASS: One other thing was I noticed you had a bill, A.B. 1356, which was about the transporting of hazardous materials.¹ I wondered if that was fairly early in that whole situation. I picked up on it because I think that question was just beginning to surface, wasn't it?

LANCASTER: Yes, it was. And I had a particular interest in it because, first of all, I worked with the [California] Highway Patrol, as you can see. I had BKK [Landfill] in my district.

DOUGLASS: Yes, I know.

LANCASTER: And at that time it was a Class 1 hazardous waste facility. And people were bringing all this--truck after truck going to BKK--and the local fire departments and all the various entities who were responsible for a spill situation didn't know what they were getting into.

So what the bill made an effort to do--and it did seem to work--was to set up this whole

¹ A.B. 1356, 1981-1982 Reg. Sess, Cal. Stat., ch. 294 (1982).

question of what's in there. It is necessary to determine chemical and mineral composition, that's one thing, so they know what it is. And a transportation safety plan, which the hauler much develop. Such as if the Claremont Fire Department runs out and finds a truckload of stuff laying on the street.

DOUGLASS: I remember this. They had to let you know what they are taking through your community.

LANCASTER: That's right, and I thought that was important, too. But it was mainly to allow those people who are responsible to clean it up, in protecting the public health and safety, to know what they are doing. It also helped them, too, because they were putting themselves in danger.

DOUGLASS: So really BKK made the . . .

LANCASTER: Well, that was part of it. There was more than that, obviously, at first. But BKK was in my district, so that picked up interest. By the way, I'm not criticizing BKK because of their operation. I never had a problem there.

DOUGLASS: But the times were changing, and these things were being questioned?

LANCASTER: They are no longer Class 1, either. They don't handle hazardous waste any more.

DOUGLASS: Right. Just one other quick point of interest, you were . . .

LANCASTER: As an aside, to go back on this point. That also helped the local communities like West Covina because everybody was saying, "Gee, what are they putting in this thing?" And they didn't know what was happening to their water table, you see.

DOUGLASS: Yes.

LANCASTER: Because that was part of it.

DOUGLASS: Probably the citizens in that area were very pleased. You had two fire prevention items in two bills: A.B. 2503 and [A.B.] 2504.¹ One of had to do with sprinkling systems, and the other had to do with fire extinguishers. It was noticeable to me. They were both there at the same time. Now I gather this had to do basically with testing systems and making sure they were up to standards?

LANCASTER: I am trying to remember which committee I was on. Let me read this for a moment.

¹ A.B. 2503, 1981-1982 Reg. Sess., Cal. Stat., ch. 425 (1982). A.B. 2504, 1981-1982 Reg. Sess., Cal. Stat., ch. 699 (1982).

[Pause]

O.K. What happened was we had done a study-- and I think I am the one who put the resolution in to request the study with the [State] Fire Marshal--to test sprinklings. And they found-- and the fire departments confirmed this--when they went out and started looking a lot of these things did not work. There was the thing sitting there in the ceiling.

DOUGLASS: The automatic fire sprinkling system?

LANCASTER: Yes. And they were never tested to see. . . .

You know, they require a certain amount of water pressure, and you have water running through all the pipes all day, but who makes sure that that pressure is still there after ten years, when it went off. So that basically set up this whole question of how to test.

DOUGLASS: There is a question of backflow problems, right?

LANCASTER: Yes. And I think that was an excellent piece of legislation. There was a whole series involved there.

DOUGLASS: Yes. You had another one on fire extinguishers where the Fire Marshal had testing standards.

- LANCASTER: That's right. There were two. The extinguishers themselves, where there was not really a uniform system of testing the fire extinguishers. You pull it out and there is nothing there, you know. So that was kind of an interesting thing. That went on for a few years. I worked on that for more than one year.
- DOUGLASS: Was that part of the Policy Research Management Committee?
- LANCASTER: Yes. It could have been.
- DOUGLASS: [At that time] you were on: Finance, Insurance and Commerce; Transportation; and Policy Research Management.
- LANCASTER: It could have been Finance, Insurance and Commerce. Anyway. I am very proud of that legislation. I am glad you brought that to my attention.
- DOUGLASS: It caught my attention. I thought it was interesting to see both bills there.
- LANCASTER: And the fire services. . . . In fact, I was named Fireman of the Year. I have that plaque over there. [Laughter] And there are only two legislators who have ever been named. [State

Senator] Ralph Dills and myself. They took me up to Lake Tahoe and as an award gave me that.

DOUGLASS: Also, the other thing I noticed that began to come into question was credit unions.

LANCASTER: Yes.

DOUGLASS: Let's see. I think the first bill you carried was in '79 and there were seven bills between '80 and '83. And on the other end of your career there were other bills. What was happening out there that caused this influx of bills?

LANCASTER: The credit unions were becoming banks, which they literally are today. It used to be, prior to that, that the credit union was a place where you were in only an employer-employee situation. But they are getting big. Golden One, for example, which is the state employees credit union, is literally a bank and takes the world in, so to speak, for deposits. So there was a whole need of a series of legislation to bring it into the real world. There was a lot of credit unions out there that just have a little small credit union with a board of directors elected by the employees that all of

a sudden found themselves in a situation which was somewhat beyond their abilities to play.

DOUGLASS: Was the notion originally slightly on the coop idea?

LANCASTER: Basically, yes.

DOUGLASS: People were helping each other?

LANCASTER: Yes. In other words, you would band together and get a lower interest loan. And then you would buy your car through it. They would take it out of your paycheck. And the whole thing. But if now you go to a credit union, they are big ones. Big ones.

DOUGLASS: What was the cause of that growth? There was a need?

LANCASTER: Well, the whole theory of banking changed in the United States and in California. California went from what we called a branch banking system, which I thought was the way we should remain, and where there was well-defined areas of responsibility. Your banks were just that. They were banks. You would go there to get your checking account and that kind of thing. Then all of a sudden. And the savings and loan, where you did your mortgage and all that type thing. Your credit union, just like

I said, was a part of the employee thing, that, you know, came with it.

DOUGLASS: O.K. So that meant there was a lot of straightening out you needed to do in terms of legislation.

LANCASTER: Yes. And I did some work on their guaranty association, too. And you go through the whole thing. By the way, all this legislation in effect came to me from them. You know, the credit union association's office is in Pomona.

DOUGLASS: Oh, is it? I didn't know that.

LANCASTER: That's right. Enid, there is always kind of a local situation in getting involved.

DOUGLASS: You mean for the state?

LANCASTER: Of their association. It was there.

DOUGLASS: Were the things you were putting into place pretty parallel to what was in place for banks, but you were applying them to the credit unions?

LANCASTER: Well, not exactly the same. Yes. A lot of similarities. And, also, this had a lot of input from the commissioner on [Superintendent of] Banks and the Savings and Loan Commissioner, and various other entities always

got involved. This is why there were so many of them.

DOUGLASS: So there was a burgeoning of that kind of an institution.

LANCASTER: That was a result of my Finance and Insurance [service].

DOUGLASS: We are coming up to the '82 election. I wanted to ask you about the primary, in which Deukmejian and Mike Curb had quite a battle, and Deukmejian barely won. It was 51.1 percent to 49.8 percent.

LANCASTER: I supported Duke [Deukmejian]. Duke and I, you know, served together in the legislature.

DOUGLASS: Yes.

LANCASTER: He was a state senator and I was an assemblyman. I think Deukmejian was a good governor, and I supported him for nomination.

DOUGLASS: What was the nature of that contest in the primary because it seems awfully close, considering that Deukmejian had a lot more experience?

LANCASTER: This is what, 19-what?

DOUGLASS: This was the 1982 election.

LANCASTER: Remember, again, this is the same period of time when, in the Republican party and even in

the Democrat party, there was a lot of jockeying around for position. Not only was there a power move for assembly minority leader and speaker, but there was power moves for governor and constitutional officers in the party.

[Interruption]

DOUGLASS: So Curb became sort of a darling? Glamorous?

LANCASTER: You know, I consider myself, frankly, to be very conservative. Just me. Deukmejian was my candidate because he was experienced, had the background, temperament, all of these things that I considered important for governor of California. You can say he was a good or bad governor, but the fact of matter is he did have the background for it.

DOUGLASS: Then, of course, the race with [Los Angeles Mayor] Tom Bradley was a very tight race. What did you think, as that election went down to the end, was going to happen?

LANCASTER: Well, I don't know if you ever saw this cartoon--I think it was [] Conrad, but I'm not sure, somebody like Conrad--where Bradley went up to the mailbox and opened the mailbox and Deukmejian's head came out. [Laughter]

That was the first election where the election was won with absentee ballots. Now, of course, it is standard fare.

DOUGLASS: They have made very effective use of that.

LANCASTER: That's how he won. And why did Deukmejian win? First, I wasn't too wild about the campaign. It had some problems. But Bradley obviously had appeal to a great segment of our society in California, and particularly in groups that would tend to vote in blocs. He did. That's nothing against him. And he did a good job, but Duke did a better job. Anyway, whenever you have an election now, I have told my son, there is two elections now. For every election there is two. You have to win them both. You have to win the absentee ballot election.

[Laughter]

DOUGLASS: That's increasingly a factor.

LANCASTER: Of course, I think it's totally wrong.

DOUGLASS: That's too bad. We can talk about that another time.

LANCASTER: We will. In fact, I have some theory on that.

DOUGLASS: O.K. I would like to talk about that.

LANCASTER: I was talking to [Secretary of State] Bill Jones about it the other day.

DOUGLASS: Well, do you want to talk about it now?

LANCASTER: No.

DOUGLASS: Because I think it is a very interesting question.

LANCASTER: Well, I think it is something that has been happening to California.

DOUGLASS: What do you think the impact was to have the gun control measure on the ballot?

LANCASTER: Oh, Prop. 15.

DOUGLASS: Yes. Whichever it was.

LANCASTER: Yes. I think it had a tremendous effect on helping Deukmejian because Deukmejian was opposed to it, as I was, and that created a circumstance of voter motivation and that motivation came out as a group. And when they came out, they voted "no" on whatever the number was, and then voted for Deukmejian.

DOUGLASS: Then in your election you defeated Richard Santell.

LANCASTER: Yes, I did.

DOUGLASS: That was the first time. He ran against you a second time, I believe.

LANCASTER: Yes. He is a nice guy, by the way.

DOUGLASS: You didn't have any primary contest?

LANCASTER: No, I don't think I did.

DOUGLASS: Now you had Deukmejian as governor and Leo McCarthy from the other party as lieutenant governor, just as there is today.

LANCASTER: Remember. Mike Curb was the lieutenant governor.

DOUGLASS: I know. Under Jerry Brown. That gave him a base.

LANCASTER: That gave him a platform.

DOUGLASS: Sure. I am going to move to 1983-84. You are still on what is now called the Finance and Insurance Committee. They took off commerce. But you were also appointed to the Judiciary Committee. I wondered how that happened. You were only on it one term.

LANCASTER: I was on it two years, I think.

DOUGLASS: Yes, '83 and '84.

LANCASTER: First of all, I am not a lawyer, as you know. I am a total layman in that area. I really learned a lot. One of the things that happened in the legislature, the speakers, because of public demand, in a sense, were not having layman control in a certain committee but there was a policy of putting laymen on there. And I was chosen because--and that was kind of when that was the thing to do--I guess because, at

least, in their opinion, I was able to handle that. And I learned a lot. I really did. I enjoyed it because it was a very interesting learning experience for me. And, of course, if you start dealing with subjects, you start learning a new language. And I learned a lot.

DOUGLASS: Did you feel that there was a good effect from people like you who weren't lawyers?

LANCASTER: Yes. I agree.

DOUGLASS: On the tone and nature of the discussion?

LANCASTER: Oh, yes. Because a lot of it, as you know, you can get yourself so tied up in some of these legal questions that you lose--not intentionally--but you actually lose, call it common sense, perspective on this stuff.

DOUGLASS: So two years was enough?

LANCASTER: Yes. Basically. It is something I wouldn't have minded, frankly, going back on again. I forget what happened. Somewhere better opportunities for what I wanted to do. It was just something they asked me do because they wanted to put laymen on there. And I said, "Sure."

DOUGLASS: That's interesting. I figured it might be something like that, but it stood out that you had done that.

LANCASTER: It has been very helpful, frankly, to me.

DOUGLASS: I'll bet.

[End Tape 6, Side A]

[Begin Tape 6, Side B]

DOUGLASS: I want to get back to redistricting.

LANCASTER: O.K.

DOUGLASS: This was a whole mess, and you probably remember the details. The bills were passed, and it turned out that Jerry Brown signed these bills just before he went out of office. Then things were going into the courts. In June of '82, there were these referenda on the redistricting of congress, the assembly, and the senate. All of these things were sort of going along together. Prop. 14 was on the ballot in 1982, which was the idea of a reapportionment commission. Then you had the [Assemblyman Don] Sebastiani initiative, which qualified but then the court ruled that it could not go on the ballot. Already I think we have some things on the table you might want to comment about.

LANCASTER: We have to put it in perspective. During the seventies and the eighties was the two eras, two decades, when reapportionment in California became a state of the art, a scientific art. And everybody was aware of what you could or couldn't do. So in order to get your point of

view out and get districts out there reapportioned the way you wanted them to be reapportioned, based on your own philosophical mood, you know, at that time, it became a battleground. So that's why you had referendums. That's why you had more than one plan. That's why you had court action. The whole thing didn't resolve itself until one or two years ago, when there was a monitored commission set up by the courts.

DOUGLASS: Essentially, what was happening was it was going to the courts. The courts were really doing the reapportionment through the masters' plan.

LANCASTER: Which was unfortunate. They did it twice when I was in the legislature, if I remember correctly.

DOUGLASS: What do you remember about the Sebastiani initiative?

LANCASTER: I really don't remember too much about it. I didn't pay much attention because it wasn't going any place.

DOUGLASS: He had a specific plan, it was very specific. That might have been one of the problems with it. But then it didn't get on the ballot.

LANCASTER: Let's be honest, Enid. It's very difficult for the average voter to make a determination on a question of reapportionment. I mean they have the right. They do have the right. But, you know, can you imagine, "Gee, I am going to sit here, and I am going to make a judgment decision on Modoc County." That kind of thing. This is really a legislative decision, and the legislature, unfortunately, was not able coping with it. When the legislature doesn't handle the situation, the courts--that other house, the third arm of government--enters that picture. I hope it doesn't happen again.

DOUGLASS: I gather that Deukmejian felt rather forced to put the Sebastiani issue on the ballot to be voted on because the timing wasn't perfect as far as he was concerned. Then he had his own proposition, Prop. 39 in '84, which provided for a commission, to which retired judges would be appointed. And that failed. Why do you think that failed?

LANCASTER: Well, as I mentioned earlier, it became an interesting question of political authority, of power. So, therefore, one group would oppose it because the other group supported it.

[Laughter] Suddenly it became a cause celebre in that sense and during the election process. It is very difficult for the average voter. So they actually have a tendency to follow where their philosophy is, and it depends on what you want.

DOUGLASS: Also, I have gotten a little more insight into what happened with the court. Of course, Rose Bird was chief justice. One of the things I thought might have made people angry at her wasn't what this person seemed to feel was the thing where she really overstepped the line. And that was when she insisted that you could only reapportion once in a decade. That was one of her premises for one of the decisions. In other words, the Republicans couldn't get another reapportionment other than through the courts. And that seemed like a very . . .

LANCASTER: Yes. In fact, I don't agree with that at all. I think if the law--in fact that's what the law says--you are supposed to do it every ten years in the constitution. But if the people of California want to change the districts by the initiative process, I don't think that ought to

be prohibited. Although I think it would not be wise.

DOUGLASS: According to this person, that's what really did it, in terms of the people who were politically averse . . .

LANCASTER: One of the things. Yes. Of course, she had so many things that people were unhappy with about with her, that was only part and parcel. If that person believed that it kind of polarized the activists, that person could be right.

DOUGLASS: Actually, it was Alan Heslop.

LANCASTER: Sure. I figured it was him.

DOUGLASS: He thought that was where she really--the other things he could kind of understand--stepped over a line.

LANCASTER: Well, she did. It polarized the activists.

DOUGLASS: One other thing that the Republicans were criticized for--hindsight is a great thing--was not supporting the Common Cause commission notion that was on the ballot in '82 because the Republicans were so busy dealing with the immediate things.

LANCASTER: We were part of the times that we were in at that time. Everybody was--unless it was their plan, unless it was theirs--against everything

else. That was the kind of the political sense, if that's the word to use, political lack of sense, I guess, is a better way to describe it. [Laughter]

DOUGLASS: Here we are. About three years or more spent on redistricting. Isn't this a terrible kind of diversion of energy?

LANCASTER: I think I was redistricted four times.

DOUGLASS: But just this battle zone, as you say, that's out there.

LANCASTER: You know, one of the plans that I do support, and I do support the recent one where there are two assembly districts in one senatorial district. What I would do, I would make it entirely different. I would like to see the assemblymen have four-year terms, along with the senators, and both the assemblyman and the senator all come up at the same time.

DOUGLASS: Yes. That would be interesting.

LANCASTER: See what I mean.

DOUGLASS: It changes the whole landscape.

LANCASTER: Yes. Think about it. [Laughter] Then, also, I think two-year terms--it's never going to change--for a member of the California assembly is too short.

DOUGLASS: Just as it is probably for congress.

LANCASTER: Well, congress is a little bit different.

DOUGLASS: The turnaround is too fast?

LANCASTER: The way it is structured now, you have two assemblymen in the same geographical area as one state senator, which is O.K.

DOUGLASS: That's an idea that down through time has come through on reapportionment that is satisfactory. It is odd that, in fact, Deukmejian's proposition was criticized because this was viewed as politicizing the judiciary.

LANCASTER: That's right.

[Interruption]

DOUGLASS: You have at this time Nolan elected as minority floor leader, replacing Naylor, in 1984.

LANCASTER: Yes.

DOUGLASS: What actually happened in that situation? How did they move Naylor out?

LANCASTER: They put him a position where he knew he did not have sufficient votes to maintain the office. When what happens is they usually resign.

DOUGLASS: So it doesn't come down to the meeting. It's already decided when the meeting is held?

LANCASTER: And I supported Naylor. I never did support Nolan.

DOUGLASS: Even though Naylor was the . . .

LANCASTER: Well, you know, you have to make a choice.
[Laughter]

DOUGLASS: That's true. There is no getting around it, is there?

LANCASTER: That's right.

DOUGLASS: Now the interesting thing about Nolan is some of the quotes I have gotten about him. I think Papan commented in an article that Nolan did not understand the art of compromise.

LANCASTER: He may have understood it, but he didn't want it. That fact is that is one of the reasons Remember, Enid, you and I discussed a little bit earlier about how this whole thing had changed. I went off Rules. All these things. 1984 is when Nolan finally--that's what he'd been working into--got that leadership position. And, as subsequent events later have proved, he was not the man for the job at that time.

DOUGLASS: So that's what he had on his agenda?

LANCASTER: Total agenda. He started politicizing this group and the whole thing. Confrontation became the norm rather than the exception.

DOUGLASS: Was he the one who--at least I think it was attributed to him--put out the forged letter, the one Reagan supposedly wrote, that was used in an election?

LANCASTER: It was actually. . . .

DOUGLASS: Nolan was involved in that?

LANCASTER: Assemblyman John [R.] Lewis was charged publicly. But he was not tried.

DOUGLASS: That's good to have on the record. But, also, was Nolan participating at the primary level and injecting politics?

LANCASTER: Any place. He was participating all over the place.

DOUGLASS: Hadn't it sort of been a gentleman's agreement that at the primary level, you let the Republicans . . .

LANCASTER: You see, once you start buying into this power, the only way you can do that is by getting your people elected. And that's what he was doing. So he was first elected in '78, I believe, and in six years he and his followers, which were very dedicated, were working in all assembly

districts they could get their nose in to get their people elected.

DOUGLASS: So they were in the primary.

LANCASTER: Obviously, yes. Now prior to that there were some exceptions, but most seats in the Republican party, we let nature take its course and let the best Republican "will out," so to speak, from local support. That was the era of people moving around, moving in and out of districts, and everything else. Which, by the way, has not changed, unfortunately.

DOUGLASS: So the ball-game rules were changing?

LANCASTER: Yes.

DOUGLASS: And he was an active part of that?

LANCASTER: He made the change. He got himself elected minority leader. Got enough votes to do it.

DOUGLASS: Also, was this a period when, with a Republican governor, namely Deukmejian, there was a close working relation between the caucus and the governor's office?

LANCASTER: I think so. As much as you possibly could have with a caucus that is divided. But Duke was pretty good at that.

DOUGLASS: In other words, if there was a piece of legislation that the Republican caucus was very

upset or concerned about, there was the possibility Deukmejian would veto it?

LANCASTER: Yes. That did occur, I am sure. Also, you know, Deukmejian had his own policy programs that sometimes the caucus resisted. I remember one. When Duke was first elected, he had a deficit situation he had to deal with.

DOUGLASS: I was about to talk about that.

LANCASTER: Is that so?

DOUGLASS: Go ahead.

[Interruption]

We were discussing the coordination of the governor and the caucus. What the working relationship was with Deukmejian. It sounds like it was a pretty good one.

LANCASTER: Yes, it was. It worked out very well. Duke was the kind of guy you could work those things out very good.

DOUGLASS: And he had had experience in the legislature, both in the assembly and the . . .

[Interruption]

Let's talk about the budget crisis. You started to bring that up with Deukmejian

LANCASTER: Yes. We had a budget crisis situation.

DOUGLASS: It was \$1.5 billion.

LANCASTER: And that was right after the 1982 election. It was '83, I think. Now he came up with a series of proposals for the purpose of increasing revenues, and he did some cutting. But there was an objection by quite a few members of my caucus in opposition to any type of revenue enhancement. I'll give you an example. That was the area, for example, we added the sales tax to video rentals and all of these kind of things.

Anyway, so what happened was we were in the caucus all day long on this issue, and this was kind of a baptism under the fire for the new. . . . Remember we had just gotten through a period of time when Jerry Brown was governor and the political body such as it is, the party in opposition, of course, takes on the. . . . So my caucus, at that time, we didn't want to vote for this program of tax enhancement.

What happened was Willie Brown supported it, and he got enough Democrat votes--it takes fifty-four votes--to vote for it to get up to fifty-three. And he couldn't get the one. So we sat on call all day long and most of the night, and he was going to lift the call and he

was going to be able to say that the Republicans killed the governor's. . . . O.K. I voted for it, initially. I was the only Republican that did. So when he went up to remove the call, I objected. And every member has a right--because they voted for it--to object. So I held it up again until finally enough Republicans got aboard.

DOUGLASS: Really, how interesting.

LANCASTER: Just a little sideline.

DOUGLASS: That's knowing how the system works, isn't it?

LANCASTER: That's right. And, see, Willie would have been in seventh heaven. "We tried to help the governor solve the problems."

DOUGLASS: Make him look good.

LANCASTER: But the Republicans wouldn't do it. It would make us look bad.

DOUGLASS: In the caucus, Bill, what were the reasons for being so strongly opposed to what Deukmejian was proposing? There are some obvious ones, but . . .

LANCASTER: The biggest one was they didn't want to go on record in support of any tax increase. But there is a basic philosophy that says you can just cut enough to balance. Well, that's

easier said than done in a lot of instances. Consequently, I think you should cut, but some things you don't cut right away. Let me give you an example. I'll give you a classic example.

When school enrollment decreased in California, which it did from the early seventies, legally, the school district would lose that ADA [Average Daily Attendance], period. In other words, if they were getting a hundred dollars for Johnny, and Johnny wasn't there any more, they lost a hundred dollars. Well, you can't do that in one year. So we actually said, "O.K. To get rid of the program, you had to get rid of it over a period of time." In other words, half. And that's the kind of stuff you have to do in some of these instances.

Duke was really--and there was a lot of trust there too--between a rock and hard place. Because Duke, like myself, does not believe in a deficit, that that's unconstitutional in California. And, you know, you can balance the budget very easily. All you have to do is

overestimate the revenues and underestimate the expenditures. [Laughter]

DOUGLASS: So what does it really mean? [Laughter]

LANCASTER: Yes. Frankly, we know what that means. And I'm afraid California will be heading in that direction. I don't like it. It's into a built-in deficit situation every year. So, anyway, Duke was balancing the budget, and I voted for him.

DOUGLASS: By this time, wasn't this sort of an accumulative effect from some other things? Jerry Brown had started indexing.

LANCASTER: It was the Prop. 13 bailout, indexing. It was the tenor of the times. Yes. The state had curtailed its . . .

DOUGLASS: And the inheritance and gift taxes.

LANCASTER: The inheritance tax was removed. Frankly, all that--the inheritance and indexing--I support. But you have to be willing when you do those kind of things to recognize where you are now. And that's where we were with Duke. And Duke recognized it. Which is one of the reasons why I supported him for governor. I was disappointed we didn't.

DOUGLASS: I have A.B. 28X was a compromise bill. Was that the bill that was finally passed?

LANCASTER: I don't remember.

DOUGLASS: It was to fix the problem without necessarily raising taxes. I must have noted it from an article. So finally it did pass and everybody looked good.

LANCASTER: Everybody looked, not good, but anyway it happened. [Laughter]

DOUGLASS: O.K. There was an article . . .

LANCASTER: You know, you can make a lot of political speeches. We protected education, we saved the little kids. All this kind of thing.
[Laughter]

DOUGLASS: Posturing?

LANCASTER: That's right. Posturing.

DOUGLASS: It's a lot of fun. There was an article in the *L.A. Times* on February 14, 1983 about you, saying that you were carrying legislation earmarking some of the state's share of the sales tax for cities and counties. It was very interesting because the article made the point that you were very much a person who local government looked to for assistance and advice.

LANCASTER: What year was that?

DOUGLASS: That was February 14, 1983.

LANCASTER: What was the bill, do you remember?

DOUGLASS: I don't think I have a number on it. That's the trouble. And I don't think it passed.

LANCASTER: No, I know it didn't. See, what I was trying to do. Rather than have the situation we had by the adoption of the bailout revenues for Prop. 13, which was a direct subsidy and I never have known a government any place that doesn't give money with strings. In fact, they have a responsibility to do that, when you think about it. If you are on the city council giving money to the Chamber of Commerce, you would expect certain things. So, consequently, in order to offset the revenue loss, what I wanted to do, rather than us give out money like we did, just give local government a percentage of the state's sale tax. And that had two good causes. Basically, one is that we came here believing in making their own judgment decisions because they It also encouraged development and jobs.

You know, Claremont is a classic example of that change. I remember Claremont at one

time didn't really want to do any type of traffic increase and all that kind of stuff. So they looked at that, you know, and particularly in the north, they didn't want to have this because of that. But now, of course, they have changed. They had to. You know, they've got an auto row--I don't know how it's doing--but they've got an auto row and all those things. Which was unheard of ten years ago.

DOUGLASS: The auto row came because some of us prevented a developer from putting houses in there. Right against the freeway.

LANCASTER: Yes. But these are the kinds of things, you see, that change. I thought that was a good concept. It would have taken the state out of the city business and given the cities their own . . .

DOUGLASS: It's so logical. Why didn't it fly?

LANCASTER: Well, because you have to understand the difference between thinking of those who like the centralized authority. I'm telling you, Enid, it's true. There are people who really believe government is good for you.

- DOUGLASS: But, in a way, this is providing a base of finance for local government.
- LANCASTER: But it also removes the state from the prerogative of saying to you, as they are doing, particularly schools . . .
- DOUGLASS: I see what you are saying.
- LANCASTER: I know a lot of people don't believe that there is a philosophy of government that is totally centralized. And, frankly, it's in the Democrat party. Primarily, not totally.
- DOUGLASS: In other words, what you are saying is, rather than hand out the money with the appropriate strings attached, they didn't like this as an alternative.
- LANCASTER: Well, they never said that. But what other reason would there be to be against it. Because we are giving the same amount of money. Or were giving. Actually, it is reversed now. The reverse flow is happening.
- DOUGLASS: But how did people in the legislature think they were going to come to grips with this problem that Prop. 13 left of taking away the basis for local funding?
- LANCASTER: The problem is, Enid, I hate to say this about my colleagues, but there aren't all that many

still, I am sure--and there weren't at that time--that many people who had a clear understanding of the role, I think, in local government and responsibility. When you come from a major community like Los Angeles or San Francisco, or any city of that size, your city council really is no different than your legislature. You know, when you represent eighteen square blocks in downtown Los Angeles, it is not the same as when you are the mayor of the City of Claremont or of Duarte or whatever it is.

DOUGLASS: You go to the grocery store and meet somebody who questions how you vote. [Laughter]

LANCASTER: And the thing about it is that's changing. Because you see what's happened now is because of population shift.

DOUGLASS: Yes. You talked about suburbia and how that's coming.

LANCASTER: See, if we'd have done what I suggested, then the state would not have a huge problem today because now they are using that revenue on their own program and actually taking other revenues as they need them.

DOUGLASS: Right. It's reversed.

LANCASTER: It's reversed now. And the third thing that just occurred to me that would have occurred there, the state would have had to curtail its spending, not raise taxes. And they could have been a reason, too.

DOUGLASS: Well, the *Times* gave you a lot of laudatory comments.

LANCASTER: Well, it was a good idea, I thought.

DOUGLASS: The quote is that you were "sought after by local-government advocates who say he is effective because he cares so much."

LANCASTER: I never read that article.

DOUGLASS: I can give it to you chapter and verse. It is on microfilm in the Honnold Library.

LANCASTER: Is it really. O.K., good. Believe it or not, I never had a clipping service.

DOUGLASS: You didn't?

LANCASTER: No. [Laughter]

DOUGLASS: Did your staff try to clip?

LANCASTER: Yes, but, you know.

DOUGLASS: You just can't get it all.

LANCASTER: No way.

DOUGLASS: I went through the *Times* index and picked that one up. I am glad they have an index now.

LANCASTER: That's right. Are you hooked up with that *Times* link thing?

DOUGLASS: I haven't used it, but I have been noticing it in the paper all the time. I don't know whether I want to know that much. [Laughter]

LANCASTER: I agree.

DOUGLASS: I did notice, as far as bills in '83, you carried a bill, A.B. 527, which said that state university investments may include credit unions.¹ That was all that was of interest. That is listed in the '83 bills. [Helping Lancaster locate bill.] I really don't know if it was that important. I noticed you said that the state university system investments could include credit unions.

LANCASTER: We are getting there, Enid. I'm glad to have this. [A.B.] 527, state university investments.

DOUGLASS: It was part of your credit union story, I figured. Right? Moving into the status quo more closely?

LANCASTER: Right. At the time the state university, you know, Cal Poly Pomona State University

¹ A.B. 527, 1983-1984 Reg. Sess., Cal. Stat., ch. 359 (1983).

[California State Polytechnic University, Pomona], was unable to put money into those kinds of things. Unlike Claremont McKenna [College], I'm sure they can.

DOUGLASS: Private colleges, as long as they go by the rules of nonprofits.

LANCASTER: That's right.

DOUGLASS: I noticed increasingly that the scope of credit unions is being enlarged by this kind of thing.

LANCASTER: You know, talking about nonprofits, my foundation [the Bill Lancaster Foundation] in which I put something, now we can accept donations that are tax deductible for the person giving it.

DOUGLASS: Good. So you are a 501(c)3 organization.

LANCASTER: Or whatever.

DOUGLASS: Sure. You are a genuine nonprofit.

LANCASTER: I am now.

DOUGLASS: That's neat. Let's see, a couple of other bills while we are there. Keep your '83 [list] in front of you. There are a couple of ones on development, obviously related to the frustrations of developers. A.B. 1488 in '83 states that it can only take six months to get approval or a disapproval related to the

negative declaration for an EIR [Environmental Impact Report].¹

LANCASTER: Basically, you see what was happening out there. At one time there was no time limitation on approval or disapproval. What was happening, those people who were opposed to development were literally holding up developers, unreasonably, in my judgment. And that's what the bill requires. Because, frankly, they would get in there, and they would scare the developer.

DOUGLASS: You said that in six months they would have to come up with something. Also, A.B. 1823 was interesting because [in the bill] you said that the Office of Planning and Research had to have information available in adequate time so that the developer would know what permits were needed from the various state agencies.²

LANCASTER: That was another thing we were having a problem with. That, by the way, is the norm now. The governor's office has made it a real cause on the part of Wilson and other people starting to

¹ A.B. 1488, 1983-1984 Reg. Sess., Cal. Stat. ch. 823 (1983).

² A.B. 1823, 1983-1984 Reg. Sess., Cal. Stat., ch. 827 (1984).

get this governmental coordination. Because, you know, there was a period of time back in '83 and in the eighties where people couldn't go to the city and get this. All of a sudden, three months later, "You've got to go down here." Nobody knew where they'd go. So this put it all together so the person wasn't doing anything.

DOUGLASS: I am sure you were hearing things out of your district about this.

LANCASTER: All over.

DOUGLASS: Then there was a bill that Deukmejian vetoed. A.B. 2344, which was a 1984 bill. I would like to know the details of this. Because it had to do with fire alarm systems and devices. Deukmejian said that it wasn't the intent of the author to broaden the scope this extensively. Apparently, it kept being amended.

LANCASTER: I think that I probably made the request, Enid.

DOUGLASS: You asked him to veto it, you mean?

LANCASTER: Yes. Sometimes what happens is you lose control of your own bill. It can happen. I don't remember the actual particulars of the thing.

DOUGLASS: I noticed one thing here about all buildings, except dwellings, must submit floor plans, wiring schematics, lots of things.

LANCASTER: Yes.

DOUGLASS: So they probably kept adding things on?

LANCASTER: They did.

DOUGLASS: Also, there was an estimate it would cost the state \$5 million dollars to do this.

LANCASTER: That was not my intent. That was part in parcel of what I was trying do, and it got beyond my ability to [control it].

DOUGLASS: So, in other words, he knew what your wishes were.

LANCASTER: Yes. It didn't bother me.

DOUGLASS: Again, on development, [A.B.] 2411 in '84.¹ Again, the question about EIRs and the fact that state and local lead agencies needed to identify areas that the EIR must address in depth.

LANCASTER: That's another thing that was happening. They were stalling.

DOUGLASS: I suppose it became a matter of investment of money and time for developers.

¹ A.B. 2411, 1983-1984 Reg. Sess., Cal. Stat., ch. 637 (1984).

LANCASTER: Oh, sure. When you analyze, you know, a person that goes in and gets the construction loan on a piece of property and then gets hung up.

DOUGLASS: Well, but also, it is not only on being hung up, but a question of their spending time on what is readily needed.

LANCASTER: Well, the whole thrust of all this legislation was to try to bring government into a role of assisting people, rather than being a roadblock.

DOUGLASS: Yes. What I am saying is you made it a more equal playing field, I would think.

LANCASTER: Yes, right.

DOUGLASS: You have to tell this person what they need to address.

LANCASTER: Exactly. And you can't stall them off by saying, "Well, maybe this. I'll get back to you in two weeks." That kind of stuff. And, you know, the governmental agency ought to be able to do that. These people are, you know But too many times, frankly, during that period of time there was a tendency to make policy judgments that should not be, and then all of a sudden it got held up. This is not the role these people play. The role these

people play is to make sure that the developer does what he is supposed to do under the law. But if they can't find out what to do, they are stuck.

DOUGLASS: I see.

LANCASTER: The EIR was a whole new field, by the way, starting in '79.

DOUGLASS: Yes. A.B. 3873, I noted only because it had to do with the county drug abuse programs.¹ For some reason, you had in there the removal of those from the Short-Doyle plan² and had the counties applying to the state. I wondered. Is there any story behind that particularly? I gather the intent was to give it to the counties directly.

LANCASTER: Or the agency, public and private, that was conducting these programs.

DOUGLASS: Yes. And not have it tied up with the Short-Doyle . . .

LANCASTER: That's right. It includes private nonprofit. This came from the state Department of [Mental] Health. In other words, they were having

¹ A.B. 3873, 1983-1984 Reg. Sess., Cal. Stat., ch. 1329 (1984).

² Short-Doyle Community Mental Health Services Act, S.B. 224, 1957 Reg. Sess., Cal. Stat., ch 1989 (1957).

problems. Drug abuse at that time was particularly of interest because, you know, the Short-Doyle gets into more than just revenues. And Short-Doyle is a mental health situation. And, consequently, what was happening was that the program by private nonprofits and various public agencies was kind of bogging down in the whole bureaucracy of Short-Doyle. And drug abuse was a particular single item that we needed to pay attention to. And this pinpointed it through. That came from the department, by the way.

DOUGLASS: As a lot of things are stimulated, I am sure, by a need to solve a problem.

LANCASTER: That's right.

DOUGLASS: You did have ACR 110 in 1984 on highway systems planning.¹ It would seem to me at this point that you are pressing more and more to get information back. Do you remember this, particularly? Or was it one of just many?

LANCASTER: It was one of many. You know, I was involved in trying to localize these programs as much as possible. And I got involved, either just before that or after that, in a whole change in

¹ ACR 110, 1983-1984 Reg. Sess., ch. 83 (1984).

the procedure of input from local entities into the STIPS.

DOUGLASS: Here you are requesting that the Department of Transportation report on public road resource requirements, and you gave a date certain for this.

LANCASTER: I know what it was. I remember now. The reason was that at that time I was trying to change the planning from five to ten years.

DOUGLASS: And that comes up.

LANCASTER: So what I was doing was building my case for a longer period of time to keep--again, it gets right back to the Foothill Freeway--of keeping things on the books.

DOUGLASS: I can see you are pressing, and you got the whole assembly to vote on it. So that was something.

Then in your election that you year, you ran again against [Richard] Santell and beat him pretty soundly. Almost 70 percent of the vote went your way.

LANCASTER: Well, Dick Santell is an interesting man. His wife, maybe you know her, [] Ricky Santell, she is very involved in Democratic politics.

DOUGLASS: Where do they live?

LANCASTER: West Covina. She was on the [Los Angeles County Democratic] central committee and various other involvements.

DOUGLASS: So he was a fairly pleasant fellow to run against ?

LANCASTER: I have no. . . . He and I don't agree, but that's no reason. . . . Actually, you know, I really didn't have anybody that . . .

DOUGLASS: They were fairly pleasant people, I guess?

LANCASTER: Well, Sandy [Baldonado] got to me for a while. [Laughter]

DOUGLASS: She's out there to win.

LANCASTER: Yes. She got a little bit wild but, you know. How is she doing, by the way? Have you seen her lately?

DOUGLASS: Yes.

LANCASTER: Say hello to her. Actually, she and I never had problems particularly.

DOUGLASS: I know. She will say herself, she can be kind of abrasive.

I am now to '85-86. Now this was interesting to me, on terms of committees. You were appointed in 1985 to the Elections and Reapportionment Committee. I don't think you have anything on this part, but I don't think

this is going to much of a problem. You were only on that for a month, and then you were replaced by [Assemblyman William J.] Filante. What was the story on that?

LANCASTER: I don't know. I am trying to remember now.

DOUGLASS: Isn't that sort of a plum?

LANCASTER: Where did I go after that?

DOUGLASS: The other things you were on. You were vice chair of Local Government; you were on Finance and Insurance; you were on Governmental Efficiency and Cost Control; you were on Public Employees and Retirement; and you were on Transportation.

LANCASTER: I had too many committee assignments.

DOUGLASS: It's too many. I have five committees.

LANCASTER: I was on too many, and I had to give up something. You know, all those other committees were ones that have always been kind of active that I was in.

DOUGLASS: So you had a vested interest in them?

LANCASTER: Yes.

DOUGLASS: And in Finance and Insurance you were on two subcommittees--Unemployment and Disability and Workers' Compensation--which were heavy duty.

LANCASTER: Well, see, there was all of that. I don't remember why I went on, but I did go on because somebody wanted me there. What year was that?

DOUGLASS: That was '85. You were only on for a month.

LANCASTER: Did we have a reapportionment after that?

DOUGLASS: No. Things got settled by them. They were all settled out in '84.

LANCASTER: Yes. I was on it, but I gave it up.

DOUGLASS: It may not have been all that important right then.

LANCASTER: Yes.

DOUGLASS: That's a pretty heavy load.

LANCASTER: Oh, that was a big load. Yes. Why I had that big a load, I don't know, but I did.

DOUGLASS: You were also, in '85. appointed chairman of the Joint Committee Legislative Ethics.

LANCASTER: That's it.

DOUGLASS: That would be another load.

LANCASTER: That's right.

DOUGLASS: You were on that until you were out of office. Now, in '85, was when the [] Moriarty Red Devil Fireworks problem was going on.

LANCASTER: That's right.

- DOUGLASS: How did you happen to be considered? Of course, that's a joint senate and assembly committee.
- LANCASTER: And the law prohibits any comment on what occurred. If you are a member of the committee, you can talk in general about it, but you can't . . .
- DOUGLASS: O.K. No, I was only pointing out that that was something that was happening. Had there been a joint committee before this?
- LANCASTER: Yes. It was set up in the state constitution in 1946 and reaffirmed on the constitutional change of '62, I believe, where the legislature shall have a joint committee. And it will be made up of three senators and three assemblyman to be made up of three Republicans and three Democrats.
- DOUGLASS: Then who selects the chair?
- LANCASTER: The chairman is selected by the committee. The vice chairman is of the opposite house and party.
- DOUGLASS: So it could be either way.
- LANCASTER: The chairman prior to me was Presley. But the vice chairman, when I was chairman, was Presley. You don't go off the committee.

DOUGLASS: I see. You stay on.

LANCASTER: It's a joint committee. Once you go on. . . .
I forget who I replaced in it.

DOUGLASS: Well, as far as style, the comment was made that you rarely convened the committee and said you wouldn't act unless there was a formal complaint submitted.

LANCASTER: That's correct.

DOUGLASS: Is that following the rules, again?

LANCASTER: Well, the rules of the legislature, by the way. There were some things we did that I can talk about. For example, we put together a staffing situation that did not exist. Finally. We put together a system of complaint filing. In other words, we let the world know that we were there, and if they wanted to file complaints, that system was set up. The staff is still there, by the way. The same guy. His name is Tony Marquez. He was the chief counsel. He's an attorney. I took him out of the Legislative Counsel's staff and brought him over to that. And he is very good. Now we have annual reports--I guess we still do--of activities, establish the guidelines of what you can and cannot do.

. See, the Ethics Committee is misnamed.
It's really a conflict-of-interest committee.

DOUGLASS: That's what I was just thinking as you talked.

LANCASTER: It basically was conflict of interest.

DOUGLASS: So you are dealing with real problems with specific triggers?

LANCASTER: Yes. That have obviously been recent. And, you know, you get into that situation where the courts, eventually, and district attorneys at the county, became involved. That's occurred. We have a couple of instances now, and that's as far as I can go.

DOUGLASS: So it's more like a grand jury?

LANCASTER: I guess. Well, you can take action against the member.

DOUGLASS: Misnaming it may be part of my problem with this. Because each house had its own Ethics Committee?

LANCASTER: No. That's not true. The senate eventually established its own Ethics Committee to go beyond the conflict of interest.

DOUGLASS: Oh, it was an outgrowth of this?

LANCASTER: Yes. They have their own deal and everything, and they'll talk about conduct and everything else. In the assembly--at least when I left it

had that--we had an ethics committee which I served on. Is that the right word? It was a reform committee that got set up. [Assemblyman John] Vasconcellos was chairman. I served with him. What we did was we set up a ballot proposition, got rid of honorariums, set the salary commission in place. All of these things as a result of that committee, which was a select committee of the assembly.

DOUGLASS: Well, what I have read about is that the two approaches in each house were quite different. That the assembly Ethics Committee--and I think it is called Ethics Committee--more strictly listed things, in terms of training people and educating them.

LANCASTER: Oh, I'm sorry. Oh, yes. That's different.

DOUGLASS: And the senate had a more overall, global approach.

LANCASTER: Yes. That came under my jurisdiction.

DOUGLASS: As the joint committee.

LANCASTER: One of the things we set up was a seminar, if you will, beginning every year. And Tony Marquez did that. Pointed out to the members, new and old, what the conflict of interest laws are. What the whole question is, what RICO

[Racketeering Influenced and Corrupt Organizations Act] does, the federal racketeering. All of that. He presented that as a seminar to all newly elected members. And that was what we did.

DOUGLASS: Were you automatically in charge of the assembly one because you were on that committee and you were from the assembly?

LANCASTER: Yes.

DOUGLASS: Now the senate did its thing?

LANCASTER: Well, the senate has a different thing. It's much broader than mine does. My program was only in relationship to what the law is.

DOUGLASS: They talked about the global notion of ethics.

LANCASTER: And conduct and those kind of things. And that whole procedure has been established now, and it still goes on, I think. But some people don't listen, obviously.

DOUGLASS: I hadn't realized that joint committee had existed for that long a period.

LANCASTER: It's a committee that's there. We did conduct some hearings on various subjects, but I can't discuss that.

[End Tape 6, Side B]

[Begin Tape 7, Side A]

DOUGLASS: We got the ethics question straightened out. The bills in '85-86. You have those lists, if you want to look at these. One particularly which you, I think, want to talk about is A.B. 3545 in '86, allowing nonprofits to self-insure and pool.¹ I think you spoke to me about that quite a long time ago, and you were proud of having gotten that bill.

LANCASTER: Yes. This came about because of the problem, again, they were having in developing insurance coverage. This was '86. Yes, this was a bad year for the costs of things, and they had a lot of nonprofits out there, like the [American] Red Cross and various other groups who were having all kinds of problems and financial problems as far as securing adequate insurance. This set up a whole procedure that would allow them, given their tax exemption, to proceed to become self insured. And it set that whole thing up.

DOUGLASS: So they could self-insure, and they could pool.

¹ A.B. 3545, 1985-1986 Reg. Sess., Cal. Stat., ch. 342 (1986).

LANCASTER: Two reasons. One is I have always been a very strong supporter of the concept of pooling. For example, I am really convinced as it is getting to be more difficult, small businesses, for example, say ten and forties or less, ten small businesses in a related field ought to be a good pool in health insurance, particularly. But, anyway, this was the purpose because they were having an awfully. . . . And they were utilizing charitable dollars, frankly, that they needed to, because they were out in the market trying to buy this insurance.

DOUGLASS: And this business of trying to cover their volunteers also becomes very sticky.

LANCASTER: As it does in any volunteer organization, and so this establishes this procedure. United Way, Goodwill. It was actually an interesting bill.

DOUGLASS: Did you have any trouble getting it passed?

LANCASTER: Not really. Not really. There is a lot of misunderstanding in there on this. A lot of comment came up because this was really ploughing new ground.

DOUGLASS: Why did it take so long to get to that?

LANCASTER: I don't know.

DOUGLASS: I guess you began to hear enough from nonprofits about the problems they were having?

LANCASTER: Yes. And, you know, it's just like anything else. I finally focused on that. That's what it is. You have to start focusing. Because you are dealing with so many subjects in that job. Either you never focus on anything or you start focusing on individual things.

DOUGLASS: Were the insurance companies not happy about that?

LANCASTER: No. You know, the insurance companies were having all kinds of problems. They were under the gun from the standpoint of public relations, you know. They said, "Gee, you won't insure the heart fund," and all this kind of stuff. So I don't think they were unhappy about it.

DOUGLASS: So was it just more getting people to understand it, in terms of getting it passed?

LANCASTER: Yes, basically. I don't remember the insurance industry. I am sure they had comment, and I know they had comment. But I don't remember them doing any dynamic opposition type thing.

DOUGLASS: So did you have any feedback about its impact?

LANCASTER: Not really. A couple of instances. The interesting thing about these groups like United Way, Goodwill, and all these folks, though the administration doesn't change, it changes often enough that the people don't know the history.

DOUGLASS: You lose your memory core.

LANCASTER: That's right. And so it is not like you were, you know. . . .

DOUGLASS: You don't have the continuity.

LANCASTER: I remember one group that I helped, and I don't know if this did it or not, and that was the ambulance people.

DOUGLASS: I don't think I ran across that. There was something in there about hospitals. Was it truly hospital related?

LANCASTER: Yes. Hospitals. They were having a problem too. Now you are talking about, not equipment or anything like that. Again, it was a charitable type thing. They were having problems and the associations.

DOUGLASS: I suppose like the Crippled Children's Society. But you are talking more about directly health-related [situations].

LANCASTER: Yes. Well, the Crippled Children's Society would be the same thing because it's the same thing as health care. The Red Cross or anything like that. Anyway, there was a problem, and we apparently solved it because I never heard anything more about it.

DOUGLASS: Yes. I thank you for having been relieved.

LANCASTER: This is very interesting to me. Because, you know, when you do it as I did it, and then I would forget that essentially and go on to something else. This is very refreshing to me. Now all this stuff has been brought back to me, really.

DOUGLASS: Well, I can tell you specifically, as one of the founders of the Claremont Community Foundation, this is exactly the kind of thing that gets to be very important.

LANCASTER: Yes. That's right. You're on that.

DOUGLASS: The Red Cross. I was interested in a bill that you carried with [State Senators] Montoya and [John] Seymour, A.B. 3746, having to do the certifying of appraisals of real property.¹ Was there a problem?

¹ A.B. 3746, 1985-1986 Reg. Sess., Cal. Stat., ch. 372 (1986).

LANCASTER: Yes. A huge problem. This was 1986, and we had gone through a huge inflationary spiral in property values. We had an increase in lending activity on the part, primarily it was savings and loans. You know, the [Charles] Keating world and all those folks were out there involved in all kinds of activities. And we had an interim hearing, the committee did, on a bill that I was carrying regarding appraisals. And the testimony was outrageous. We found people testifying with respect that they were going and they would see an old fruitstand on Highway 99, and they appraised it as an office building.

At that time, the licensing of real estate appraisers would have been very difficult to establish very fast. So what I did was I put together a category called "certified appraiser," and the code specified what that certified appraiser would have to do.

DOUGLASS: So it really defined the act that he performed, not his training or. . . .

LANCASTER: That's right. And it was optional. I couldn't get it mandatory. It was optional for the lending institution to utilize a certified

appraiser. And if that person said, "I'm a certified appraiser," and the lending institution used that certified appraiser and that certified appraiser did not follow the code, he broke the law. That cleaned up a lot of people's act.

DOUGLASS: It forced them because they could be breaking the law.

LANCASTER: And if they didn't adhere to this, in other words, they couldn't do what they were doing. It brought them, not all. The honest ones supported it, and I did get some testimony against it.

DOUGLASS: From appraisers?

LANCASTER: From appraisers. But that was the purpose of that thing was to do that. Since then, I think, they've licensed appraisers.

DOUGLASS: You're right. That period would have been explosive in terms of appraisal?

LANCASTER: It was explosive. And a lot of phony loans out there.

DOUGLASS: Are most appraisers set up as separate businesses?

LANCASTER: They are now.

DOUGLASS: Did they used to be an arm of a real estate office?

LANCASTER: Yes. They were that. In fact, you know, when you go out and you list your house, they give you what they call a comparison. They'll go back to prior sales, and that becomes the norm.

DOUGLASS: Or a comparable house on your block.

LANCASTER: Yes. Something like that. But this set up a certified appraisal because what was happening out there, they were going out and appraising these substandard situations and saying, "Gee, there's a nice building." So it's got a \$50,000 loan and now you can go out and borrow another \$100,000. So you now have \$150,000 loan on a place that shouldn't have a \$50,000 loan. And they run, and they take off.

DOUGLASS: So was that basically your bill with Montoya and [State Senator] Seymour?

LANCASTER: Yes. Montoya was moving along with doing the same thing. He was involved in it. But he was the chairman. Seymour, by the way, was the former president of the California Real Estate Association. He became a United States Senator.

DOUGLASS: Seymour.

LANCASTER: Yes. Anyway, he got involved because he had an interest in it. And Montoya was involved on the senate side and I took the field over from Montoya.

DOUGLASS: A couple of other things. On unemployment compensation benefits, I am sure out of the subcommittee things were being generated a lot. There was A.B. 329--that was 1985--which had to do with the appeals process for unemployment compensation benefits.¹ I am sure there was a lot of fine tuning.

LANCASTER: Oh, constantly, constantly.

DOUGLASS: So I don't know that any particular thing would stand out with you. This had to do with recovering overpayments, timing decisions.

LANCASTER: That had to come from the department. Because, basically, if they would run into some circumstance.

DOUGLASS: So you'd be the fine-tuning person?

LANCASTER: Yes. And, remember, this is the year of Deukmejian, eighties, and they were coming to Republican authors. In other words, the

¹ A.B 329, 1985-1986 Reg. Sess., Cal. Stat., ch. 716 (1985).

departments were under Republicans. See, that's what happens.

DOUGLASS: They would ask you to carry a bill?

LANCASTER: Yes. For the administration.

DOUGLASS: Then you had another one on the Political Reform Act having to do with statements of economic interest. That's A.B. 869.¹ That's again a fine tuning. It was about filing deadlines.

LANCASTER: Yes. This is interesting. You know, when Proposition 9 was adopted, one of the major concerns at that time [Daniel] Lowenstein had, when he wrote this thing, by the way, who was its first chairman and now is a professor.

DOUGLASS: He is a professor where?

LANCASTER: SC [University of Southern California], I think. Anyway, he wrote it, and they required that if you put a bill in that affected them, as a commission or change the Prop. 9 law, you had to hold it for forty days and forty nights.

DOUGLASS: So that they had time to . . .

LANCASTER: Review it.

DOUGLASS: . . . review it.

¹ A.B. 869, 1985-1986 Reg. Sess., Cal. Stat., ch. 1200 (1985).

LANCASTER: By if you amended that bill, you had to hold it again for forty days and forty nights.

[Laughter] You know, an interesting sidelight on that. The commission, when they put this thing together, they set up this whole reporting procedure of conflict of interest and all this sort of thing. You know, they exempted themselves.

DOUGLASS: They did.

LANCASTER: But we passed a law that passed unanimously in about five seconds that put them under the same rules they gave to us.

DOUGLASS: How interesting.

LANCASTER: Isn't it? [Laughter]

DOUGLASS: I interviewed Dan Stanford.¹ He was very interesting.

LANCASTER: Well, he was chairman under Duke. Anyway, I kept reducing it down, and I got it down to twelve days. Actually, it's a silly rule. I mean they ought to be capable, just like anybody else, but you have to understand where Lowenstein was coming from, too.

¹ Dan L. Stanford, Oral History Interview, Conducted 1989, by Enid H. Douglass, Oral History Program, Claremont Graduate School, for the California State Archives State Government Oral History Program.

DOUGLASS: Am I misinterpreting this? This is A.B. 869. I thought it meant when a candidate had to amend his statement of economic interest and failed to meet the filing deadline. Isn't that what that's about?

LANCASTER: Oh, yes, I'm sorry. But I did do that, too.

DOUGLASS: I liked hearing what you discussed. I had no idea a bill could. . . . Can you do that to a bill?

LANCASTER: Oh, it would kill it.

DOUGLASS: I know. I didn't realize that was possible.

LANCASTER: You see, they were so afraid of us.

DOUGLASS: So it was a special arrangement. Actually, this is just something to have in terms of people getting the complete data in and meeting the deadline.

LANCASTER: I think I told you about that one. They gave it to me to carry [for them]. That was necessary. I don't know what the other one was.

DOUGLASS: Then Deukmejian ran again in '86, a second campaign against Bradley. Did you have any reservations about who you thought would win?

LANCASTER: No. Deukmejian. I supported Duke.

DOUGLASS: Was it a mistake, do you think, from the Democrat viewpoint to run Bradley again?

LANCASTER: Well, there was a couple of things that happened. First of all, Bradley had been a mayor longer, and he was starting to have his problems that way. And Duke had, I think, pretty good public acceptance on the job he'd done. So it was just. . . .

DOUGLASS: The point was who else was there?

LANCASTER: Why did they nominate Bradley?

DOUGLASS: The point was, Bradley having been defeated once, would it have smarter to have run somebody else?

LANCASTER: I think Gray Davis ran against him, didn't he?

DOUGLASS: In the primary. He could have.

LANCASTER: Probably so.

DOUGLASS: Yes, he probably did because he was out there running for things.

LANCASTER: Always, yes. It seems to me Gray Davis may be our next governor.

DOUGLASS: Well, he has emerged.

LANCASTER: That's right. [Laughter]

DOUGLASS: O.K. Leo McCarthy stays as lieutenant governor, which is that strange situation. And you ran against Wayne Wendt. This time you

took 72 percent [of the vote]. How much time did you have to spend on your election campaigns?

LANCASTER: I always did the fundamentals, Enid. And the fundamentals, of course, include the proper mail and advertising and signs and all that type of thing. Year around I participated as an individual in developing the Republican party in my district, too. They had a headquarters. I had two headquarters the whole time.

DOUGLASS: I remember you explained that. One was the party headquarters and one was your . . .

LANCASTER: We had, actually, two party headquarters. We had one in Upland and one in Covina. Because, remember, at this point I had picked up Upland, which is a different county, different operation.

DOUGLASS: Was that your headquarters or was it the party's?

LANCASTER: No. That was the party's. I had my own after that.

DOUGLASS: Then you had two party offices.

LANCASTER: Yes.

DOUGLASS: You were busy.

LANCASTER: Then, of course, I thought I did a good job as far as getting around and seeing people. And I had a very active staff.

DOUGLASS: So you were kind of always keeping in touch?

LANCASTER: Trying to.

DOUGLASS: So election time wasn't so much a crisis operation?

LANCASTER: No. The fundamentals were done. I never took one for granted, believe me.

DOUGLASS: Would you explain a little bit about the Governmental Efficiency and Cost Control Committee, which you were on in '85-86? What were its duties?

LANCASTER: Well, its hope was to tell about and bring about that. It really didn't do much. Just like I said, it was just trying to develop some efficiency in government and that type of thing.

DOUGLASS: State?

LANCASTER: State level. Yes. Because, you know, there were some of us who could see the handwriting on the wall, being more and more involved in activities because of Prop. 13 we were never involved in before. And it became kind of the

big thunder of the world. Anyway, it didn't flash.

DOUGLASS: This would have been a Republican idea?

LANCASTER: No, not necessarily. But it just didn't get off the ground. Of course, I have the solution, I think, with the sales tax idea, but nobody listened to me.

DOUGLASS: I'll bet you thought about that.

LANCASTER: Oh, yes.

DOUGLASS: Had you been on Public Employees and Retirement very long?

LANCASTER: Not too long. You know, Enid, one of the things I was always doing. . . . One thing that happens, as a member of the legislature, you have a tendency--and I did--to kind of fall into a certain niche and do certain things. And mine was a local government practitioner. But every term I tried to go one step into another field and understand it. Because I still had to vote on that stuff when it came to the floor. So as you will see throughout my career, every year, every term I. . . . And I had reached a point where I pretty well chose what I wanted to be a member of.

DOUGLASS: You could get what you wanted.

LANCASTER: Yes. That's right.

DOUGLASS: Now you were vice chairman of the Local Government Committee. Did that take more time? Or was that just more running the meetings.

LANCASTER: Well, it would be running the meetings if the chairman wasn't there.

DOUGLASS: So it wasn't extra.

LANCASTER: Yes.

DOUGLASS: But that's where you put in a lot of time and your interest was.

LANCASTER: And also insurance and transportation, primarily. Yes.

DOUGLASS: That took a lot of time?

LANCASTER: Yes.

DOUGLASS: That's amazing. I looked at this and saw all those committees. No wonder you got off of Elections and Reapportionment.

LANCASTER: I tried, you know, to kind of broaden my outlook or scope.

DOUGLASS: O.K., 1987-88. You were on Finance and Insurance and the Subcommittee on Workers Compensation still. You were on Local Government.

- LANCASTER: I stayed in that field for the rest of my [term] pretty much. I shifted from insurance to banking, which is the same.
- DOUGLASS: And then you were on the Subcommittee for State and Local Relations, under Local Government. Then you were on Public Employees and Retirement, and then Social Security was added to that. Why was that? The year before it was . . .
- LANCASTER: It was added to Public Employees. Actually, the chairman at that time was a fellow from Long Beach, who is no longer in the legislature. And he had it in his mind that Social Security recipients--I never could quite figure out how he made the connection between the state system and the federal system, but he did--and he got the hierarchy to agree to let them include Social Security.
- DOUGLASS: It might have been the interconnection of retirees' income.
- LANCASTER: Yes. He was looking at the intergovernmental doing. . . . Of course, I looked at the income as a vested separate right. So, consequently, you have this, you have this, you have that.
- DOUGLASS: Either you have or you don't?

LANCASTER: Yes. But he was trying to figure out the whole ballgame in one wax, or something like that.

DOUGLASS: So he didn't have enough to do, maybe?

LANCASTER: Yes. In fact, we did find ourselves involved in issues that were really nice to know about, but there was nothing we could do about it.

DOUGLASS: And then, as always, the Transportation Committee.

LANCASTER: Yes.

DOUGLASS: I want to talk to you about the Gang of Five.

LANCASTER: O.K.

DOUGLASS: Which then is hitting its heyday. And I noticed several of them were on committees with you. So you must have known each one of these.

LANCASTER: Very well.

DOUGLASS: Of the group, were there some you knew better than others? Do you want me to remind you of their names?

LANCASTER: Well, I'm thinking back. [Assemblyman Gerald R.] Jerry Eaves, who is now on the board of supervisors of San Bernardino County. He and I worked very closely together. He was the mayor, I believe, of Rialto, and he and I had some common interests together on certain key issues. He was pretty much agreed with me on

the questions of local government. That kind of stuff. He became, frankly, a good friend.

DOUGLASS: Eaves?

LANCASTER: Yes. I liked Jerry very much. I haven't seen him for quite a while, but he got out of the legislature and went to the board. And who else on that list?

DOUGLASS: There is [Assemblyman] Rusty Areias.

LANCASTER: Rusty Areias, I knew him, but he and I served on I guess it was Local Government together. He had a different point of view than I did.

DOUGLASS: [Assemblyman] Steve Peace?

LANCASTER: Steve Peace, still in the legislature. He is now a state senator from San Diego County. He was chairman of the Banking Committee.

DOUGLASS: [Assemblyman Charles M.] Calderon.

LANCASTER: Calderon. He is a senator, too. I forget, he and I served on Local Government together. I am trying to think. Calderon, I think, came from over there in the Monterey Park area or some place in there [Los Angeles].

DOUGLASS: This whole phenomenon, I gathered, was caused by their feeling that they wanted to get rid of Willie Brown.

LANCASTER: Yes. What triggered them, I am not too sure. But the Gang of Five all of sudden was there and giving Willie Brown fits with his own party. And the Republicans, of course, were holding their coat. [Laughter] You know, literally holding their coat. And when it got to the point where we able to put the deal together with them to make the dramatic change. Because first of all I don't think--it is my own personal opinion--that the Gang of Five was all that enamored with Nolan. If it had been somebody with more of a reasonable nature, from their point of view, we probably could have unseated Willie Brown. He was one of them.

DOUGLASS: Nolan didn't want to work with them, I guess.

LANCASTER: No, he didn't.

DOUGLASS: He was aggressively not friendly?

LANCASTER: That's right. You wonder about that and what Nolan's connection was with Willie. Thought about it. So, anyway, like I was never a fan of Willie.

DOUGLASS: You were on the Finance and Insurance Committee with Calderon.

LANCASTER: Yes, that's right.

DOUGLASS: And that's one of the things that got. . . .
Brown refused to name Calderon chairman of the
Finance and Insurance Committee after Calderon
successfully pushed legislation to open
California banking to out-of-state banks.

LANCASTER: Which I voted against.

DOUGLASS: You did?

LANCASTER: Absolutely.

DOUGLASS: Does that make sense to you, that that
triggered a fight?

LANCASTER: Yes. Probably so. See, Alister McAlister was
a good friend of mine. In fact, I have a
letter from him. Alister McAlister was
chairman when I was on the committee most of
the time.

DOUGLASS: Finance and Insurance.

LANCASTER: A good friend, a good guy, a good chairman.
Democrat, but nevertheless. When he went off
the committee--he really went for attorney
general and got beaten--a good guy, and he went
on the ballot. Because the Finance and
Insurance Committee was a very important
committee.

DOUGLASS: Calderon had been vice chairman of the
committee in '83-84.

LANCASTER: When all of a sudden somebody new came in and took it over, and it was taken over by. . . . I can't remember the name now. Oh, yes, that could have been Calderon.

DOUGLASS: Also, Eaves and Peace were on Finance and Insurance.

LANCASTER: He was O.K. Yes. I've served with most of them.

DOUGLASS: Well, you have commented, but apparently Deukmejian was urging the Republican group in the legislature, when advisable or it made sense, to side with the Gang of Five.

LANCASTER: Oh, absolutely. Because under those circumstances--he never said that to me but I believe it to be true--absolutely because that's the way that you actually get the reforms you need. And if we had been able to do something with the Gang of Five and put together a leadership change, along with that leadership change would have been certain things that we needed. Had more authority, more staffing.

But the problem was, very candidly, Nolan wanted Willie's job. And Nolan, as Papan said, would not compromise.

DOUGLASS: And that threatened his chance for power.

LANCASTER: Threatened him. And the Gang of Five, I don't think, was that enamored with Nolan, and they probably didn't have a lot of trust in him. So consequently that didn't work. They were the more moderate in most of their views.

DOUGLASS: The comment was that it was in Nolan's interest to keep the pot boiling in general.

LANCASTER: Sure.

DOUGLASS: And that maybe this talk about getting along with people, that perhaps Nolan had made a deal with Brown in terms of his agreeing, in return for certain things, he wouldn't harass him.

LANCASTER: That was a major suspicion. I have no personal knowledge.

DOUGLASS: This was the speculation in an article.

LANCASTER: But certain things did happen that lent credence to that suspicion.

DOUGLASS: Because they seemed to have a fairly amiable relationship, even though Nolan wanted his spot?

LANCASTER: Because there was a time that some members of the Republican caucus, I think, were trying to do something along in that era, and Nolan did resist. He did protect Willie, in my opinion.

But, you know, you are not privy to the conversations.

DOUGLASS: I understand. All you can do is speculate.

LANCASTER: That's right.

DOUGLASS: There was a lot of speculation going on.

LANCASTER: And, of course, everybody is saying my speculation is incorrect, but the fact of matter was that it was my personal opinion that's what happened.

DOUGLASS: Well, you could get an impression. You had been there a while too, so you were watching what was going on. You were on a Republican Task Force subcommittee of changes. We are talking about 1988. These were changes transferring many powers to the Rules Committee.

LANCASTER: Yes. That was strung up.

DOUGLASS: That's kind of what you are talking about now.

LANCASTER: Which is one of the reasons why I think maybe I would like to run because. . . . You know, I don't know.

DOUGLASS: In fact, there is an article on May 18, 1988 in the *Times*. It said that Willie Brown says he plans to meet with Lancaster but refuses to consider any reduction in his powers to extend

this. My question to you is did you meet with Willie Brown?

LANCASTER: Yes, we did. We discussed this.

DOUGLASS: Over this?

LANCASTER: Well, yes, primarily. I don't remember the exact date. But we could talk about it. My recollection is, frankly, very little about the meeting because it was going nowhere. I'll tell you that.

DOUGLASS: In other words, it was a conversation?

LANCASTER: Yes, basically. It wasn't a full-blown get-together type thing, we will iron-this-out type thing.

DOUGLASS: I was just curious because Brown had said he would meet with you.

LANCASTER: Yes. I always felt this way. This was what? '86?

DOUGLASS: No, this is '88. It was an article in the *L.A. Times* about the Gang of Five and the push for reform of the speakership.

LANCASTER: Yes. That's right. And that's basically what it amounts to. You see, I was trying to do something to resolve this thing.

DOUGLASS: And, also, I think one of the things they were trying to do is to get away from his ability to funnel campaign money.

LANCASTER: Yes. Well, I've always been against transferring the funds from one campaign to another. I thought that was, frankly, wrong. But that's his chief source of power, you see. Some of the biggest contributors to people's campaigns in some of these districts are other candidates.

DOUGLASS: Other treasuries.

LANCASTER: Yes, that's right.

DOUGLASS: Did you meet many times face-to-face with Brown? Were you in a group or were you alone? What was he like to be with?

LANCASTER: Well, I was not a social friend of Brown. But, you know, we would meet on occasion for his views and other necessary business, particularly we did on this renovation of the capitol, the establishment of the building equipment, all of that stuff there. We got involved in meetings on the computerized system. All of these things would transpire from Rules. And Papan and I worked very

closely, and I did a lot to work on those things.

For example, I flew in two days to Lansing, Michigan and Atlanta, Georgia, and back through Dallas--the chief clerk and I did --to review building equipment and some of those kind of things. But as far as policy situations on the conduct of his office, no.

DOUGLASS: What was he like as a personality?

LANCASTER: A very personable guy. On a one-on-one, very forceful, very bright. And I don't dislike him as a person at all. He is a very persuasive kind of guy. But you have to understand. . . . He and I had been together for twenty-some odd years. [Laughter]

DOUGLASS: Comparing. Now, let's see, Unruh wasn't speaker.

LANCASTER: You see, Unruh was not speaker when I was there. But I knew him.

DOUGLASS: From what you've heard, you wonder. These two are compared and, of course, there was this great [speculation] would Brown indeed have a longer record as a speaker?

LANCASTER: Yes. I am not trying to be unfair to Jesse Unruh, but if I had to judge, based on what I

know, that Willie Brown is the better administrator and the better, if you can give him credit as a speaker. But I don't give him credit. I think he has gone too far. That, to me, was demonstrated by this latest occurrence. Way beyond. You know, a word that comes to mind is the word imperial, meaning the imperial speakership.

DOUGLASS: All right. Well, moving along here. There was another one of those *California Journal* surveys. I like to pick up on those occasionally.

LANCASTER: Well, they're good. Yes.

DOUGLASS: This was in '88, I think. You were 15 percent liberal and 85 percent conservative.

LANCASTER: Oh, I'm getting better. [Laughter]

DOUGLASS: You were plenty active. There is one bill I wanted to talk to you about. It's A.B. 84, in 1987, and this is. I think, the one that we were leading up to, on the freeway.¹ This was a big one. and it is pretty complicated. I wanted you to maybe explain this one to me a little more. I think I understand some of

¹ A.B. 84, 1987-1988 Reg. Sess., Cal. Stat., ch. 878 (1987).

this, but at some point I am not sure what you were doing in this bill. [Pause] I think you were trying to get them to look down the stream farther and get their act together?

LANCASTER: Well, I was. From five to ten years. Too many times the issue would be "we can't do that within five years, so don't talk about it." And that became more of an important issue because of, again, the reduction of revenues. So, consequently, this was an effort to undo that. But when I started getting involved in it, I found a lot of areas that needed to be improved upon. And that was the local input into the system itself. Really, prior to this there was kind of an unofficial, but not necessarily a good methodology, of coming out here, for example, to our area and working with them on what their needs and requirements were.

DOUGLASS: Would this come under the category of a regional transportation system?

LANCASTER: Regional or whatever. It wouldn't be the city necessarily. And so this put together a whole concept of intergovernmental, interagency, whatever you want to call it, cooperation so that everybody knew what the program was. And

so when they highway commission adopted [a plan], they had basic information that came from all public agencies. And I felt it was important that we do that.

Remember. About that time we set up the [California] Transportation Commission. So what happened was, I got involved in that thing. All of these things came about because of my interest in the Foothill Freeway.

[Interruption]

DOUGLASS: You were saying you got involved because of the Foothill Freeway.

LANCASTER: Basically, right. My aim was to protect that project and to keep that project alive. So, consequently, I got involved and sidebarred, I guess.

DOUGLASS: So was the thrust of this particular bill that it would allow a regional transportation area group--and let's say it is here with this, the Foothill Freeway--to submit their future projects sooner than they could before, so that it went into the system?

LANCASTER: Yes. In other words, we were doing long-range planning on more of a long range. You had to

do that anyway because finances were a requirement.

DOUGLASS: Finances were . . .

LANCASTER: Requiring it to be longer because we didn't have the money.

DOUGLASS: They were stretching it out.

LANCASTER: And this was prior to the tax increases on gasoline and the bonds that were adopted after that.

DOUGLASS: They were? After '87.

LANCASTER: Yes.

DOUGLASS: So what you were doing was trying to tighten up the system so it could accommodate something that took as long as most of these freeways, particularly this one, do to put in place?

LANCASTER: Well, and you have the project, too, that is involved. So when I did this I got involved in all these other programs. They were sitting out there, "Gee, we've got this idea, but nobody will listen," because no work was done on it.

DOUGLASS: So that they didn't even start to listen? It's always five years once you even get them to start to. . . .

LANCASTER: So this was the question of this. And this was primarily my own idea, too. It's interesting.

DOUGLASS: This sort of evolved from the bills you had been carrying before, didn't it?

LANCASTER: Yes, and also my activity on Transportation.

DOUGLASS: So did you get much help with writing this bill?

LANCASTER: Yes, finally. It took a while. You notice the [bill] number is 84. That was a low number, which meant it went in soon.

DOUGLASS: It didn't get chaptered until 1987.

LANCASTER: The number is A.B. 84.

DOUGLASS: Oh, I know it is a low number.

LANCASTER: It was a low number, but it probably was around most of the year. I finally got all the agencies--it took a tremendous amount of work on the part of the locals, really, to talk to all these people who came from all over the state. They were always meeting on it. Everybody was concerned about getting left out of the pot.

DOUGLASS: Yes. I suppose everybody rose to the occasion.

LANCASTER: And everybody thought the idea was sound, including the department.

DOUGLASS: So this would go through the Transportation Committee, obviously?

LANCASTER: Yes.

DOUGLASS: Then there was another bill, A.B. 231 in '87, on liability insurance availability again.¹ Have you got that one?

LANCASTER: Yes. You know, [Clayton] Clay Jackson opposed.

DOUGLASS: Right. The insurance lobbyist.

LANCASTER: Yes. There was a certain designated class of risk that would be not insurable by the companies. This would put together a voluntary market assistance program. In other words, they could put together, in effect, their own program to do it.

DOUGLASS: Did Jackson then see this as being a loss of business?

LANCASTER: I guess.

DOUGLASS: Or he just didn't like the idea?

LANCASTER: They don't really care for this whole concept of voluntary market. Because, you see, that pooling is in the private sector. It is not like what we were doing before, rather involving charitable things.

¹ A. B. 231, 1987-1988 Reg. Sess., Cal. Stat., ch. 21 (1987).

DOUGLASS: Right.

LANCASTER: For nonprofits that's different.

DOUGLASS: Right. This was for-profits.

LANCASTER: Yes, these were for-profits. And what happened is these people weren't getting insurance for certain risks. And the needs were not being met to have them survive.

DOUGLASS: There were a series of bills, [A.B.] 241, 242, particularly, having to do with excess funds and how you could invest them.¹ These were all '87 bills. Excess funds, hedging, you could hedge.

LANCASTER: These were really primarily insurance bills that came out of the insurance commissioner's office at that time. This was 1987. There were all kinds of investments and type things. The whole market changed in the insurance industry as far as what they could do and what they could not do. So this pretty much was like that. Like foreign investments and business. You know, that kind of thing.

DOUGLASS: I am not aware of what legislation is on the books that would address what's happened in

¹ A.B. 241, 1987-1988 Reg. Sess., Cal. Stat., ch. 470 (1987). A.B. 242, 1987-1988 Reg. Sess., Cal. Stat., ch. 242 (1987).

Orange County. The nature of how you can invest public monies. Can you see there being legislation developed that might prevent this from happening, maybe?

LANCASTER: I don't know this. If I was still in the legislature, I would research it. But I am pretty well convinced in my own mind that there are sufficient laws on the books already. The failure in the system--and it may require legislation to do this--is disclosure. Maybe there is a need for legislation to put a disclosure requirement when you do that. But the failure in the system is really with the elected board. And the board of supervisors was just carte blanche.

DOUGLASS: Out to lunch?

LANCASTER: Or just saying, "Gee, that's a good idea." And boom, you know.

DOUGLASS: And it had been working.

LANCASTER: Yes. That's right. And then, of course, other communities incorrectly got involved in this thing. And that's a failure on the part of, in my opinion, of the governing board. And, consequently, what you need to do is investigate it and make sure there is adequate

disclosure situation. Awareness is the key to it. But how you control it? I mean I think there are probably sufficient laws around.

DOUGLASS: Just not following them?

LANCASTER: Well, no.

DOUGLASS: Of course, you have this interesting situation of an elected county treasurer, but that still doesn't redound to . . .

LANCASTER: And I'm not for that, either. But that's another issue.

DOUGLASS: That's another issue, but even so it still was the board of supervisors' responsibility?

LANCASTER: That's their responsibility. And it's very difficult for the legislature to pass laws that would fit every community's needs.

DOUGLASS: That's right. And then, of course, again it is the city manager or the CEO [Chief Executive Officer] of the county who is responsible for giving . . .

LANCASTER: Yes. If I was on the board down there, I would be looking to fire everybody. Yes.

DOUGLASS: Well, they have. . . . They have demoted the chief administrator, and they are looking for somebody at least to fill in.

LANCASTER: You know, most county governments--I don't know how it is in Orange County--have a very weak management system. Unlike cities.

DOUGLASS: You've got five power centers?

LANCASTER: Yes. And that really is wrong. In other words, the city management concept is what you need. You know, it is awfully hard in a county like L. A. or Orange to hold somebody responsible.

DOUGLASS: It is huge. You must have known [former Assemblywoman] Marion Bergeson?

LANCASTER: Very well, yes.

DOUGLASS: She is probably amazed at what she has walked into, I suspect.

LANCASTER: Well, as an aside, I don't remember exactly what it was, I think she carried some of the legislation for this guy.

DOUGLASS: That enabled him to do some of this?

LANCASTER: Yes.

DOUGLASS: I think she did. I read that. But still I am sure that . . .

LANCASTER: Which would be a natural flow of things.

DOUGLASS: Yes. And, also, he seemed to be a winner at one point there.

LANCASTER: I am guessing now. Evidently, that board was budgeting funds on anticipated revenue and it didn't materialize. [Laughter]

DOUGLASS: That's not good either.

LANCASTER: That's not very good either.

DOUGLASS: The only other things I have is that you had a bill, A.B. 2358.¹

LANCASTER: What year was that?

DOUGLASS: '87.

LANCASTER: This [listing and description of his bills] is very handy to me. I am going to save this.

DOUGLASS: It only caught my attention because it addressed the Superintendent of Banks and the local agency investment of surplus funds.

LANCASTER: Oh, yes. I am trying to remember where I got this thing. The basic thing was it required this contract to be a written agreement.

DOUGLASS: To include that the treasurer [of the local agency] may withdraw the money.

LANCASTER: Provide him to withdraw the deposit of money.

DOUGLASS: So it secures the situation.

LANCASTER: That's right. I don't remember where I got that.

¹ A.B. 2358, 1987-1988 Reg. Sess., Cal. Stat., ch. 341 (1987).

DOUGLASS: It seemed timely.

LANCASTER: It was. That's right.

DOUGLASS: O.K. You ran in 1988 against Wayne Wendt again.

LANCASTER: Wayne Wendt again. It always took me twice to change them.

DOUGLASS: These people kept coming back.

LANCASTER: You know, I never ran unopposed. I would have kind of liked to once. It would have been kind of fun.

DOUGLASS: Yes. That would have been just amazing. Maybe it wouldn't have been good for you? [Laughter]

LANCASTER: Enid, I wonder how I would have done under the old days of cross-filing? I bet I could have. I would have done very well probably. Because I did get a lot of Democrats.

DOUGLASS: Yes. You would be a good cross-filing candidate. I noted this because in that election you had the highest percentage you had had except in '82. You had 68.402 percent in '82, and in this you took 67.92 percent. So those are almost 70 percent figures.

LANCASTER: Yes. And registration of 43 percent.

DOUGLASS: I don't have the party split.

LANCASTER: It was pretty equal, basically. I think it is more Republican now than it was when I was in the assembly.

DOUGLASS: I guess it may be.

LANCASTER: Because Arcadia went in.

DOUGLASS: Let me just ask a question here which I meant to ask earlier. I have a quote here. This was an article in the *California Journal* about Naylor's on-the-job training. This was written in March of '83.

I want you to read it. What I underlined there, that comment. I would like you to respond to that.

[End Tape 7, Side A]

[Begin Tape 7, Side B]

[Interruption]

DOUGLASS: This quote was interesting to me because it was
Naylor speaking:

"Most of our people came in with the idea of fighting hard and accomplishing something quick...part of the unhappiness, or the tension between a Bill Lancaster and a Pat Nolan is a matter of (the fact that) Pat came up here to rattle the cage, and Bill has been here a while and he's more of a go-along-to-get-along kind of guy. It remains to be seen which is more effective in getting things done, but it's a difference in style, not in philosophy."¹

LANCASTER: That's probably true.

DOUGLASS: Do you think that . . .

LANCASTER: Well, you know, I don't like that terminology, to be honest with you because, first of all, it's not a matter of go-along, get-along. It's a matter of understanding the system and working within the framework of the system to accomplish something. If you want go gauge effectiveness between Nolan and myself, it's in front of you. [Referring to the list of bills he successfully carried]

¹ Vic Pollard, "Bob Naylor's on-the-job training as Assembly Republican leader," *California Journal*, March 1983, p. 104.

DOUGLASS: Well, it is sort of politics is in some sense an art of compromise. It's somehow getting people to agree on something that will work. Is that more where you come from?

LANCASTER: I guess so. That takes time. You'll notice throughout my whole legislative career, as far as legislation is concerned, I would start slowly and start making these kind of moves to try to do something. Now maybe that's a Taurus trait, I don't know, but I am a Taurus.

DOUGLASS: Taurus. Oh, signs of the zodiac.

LANCASTER: But, you know, basically, except for the wording, it is probably correct.

DOUGLASS: This was interesting. This is the article written when he apparently had this good guy image, when he was first coming on the scene. Was he a fairly likable guy?

LANCASTER: Yes. I liked Bob.

DOUGLASS: He was a Yale Law School graduate.

LANCASTER: I don't know what he is doing now. He used to be a lobbyist for a while.

DOUGLASS: Is he in Sacramento?

LANCASTER: Yes, he was. I don't know whether he is now or not.

We are going to have to call it quits for now.

DOUGLASS: O.K. That's fine. I think we are in reach of finishing this up in one more session.

LANCASTER: I had quite an interesting conversation with Bill Jones.

DOUGLASS: Oh, you did.

LANCASTER: He's a nice guy. You don't know him, do you?

DOUGLASS: No. I was just reading about him. They had some very nice things to say about him in the material I have been reading through the upcoming time you and I are going to discuss.

LANCASTER: He's a good man. I want to work with him, if I can, on certain issues. I am not quite ready to go to the scene of where I am doing all this stuff.

[End Tape 7, Side B]

[Session 5, March 4, 1995]

[Begin Tape 8, Side A]

DOUGLASS: I wanted to ask you about your committee service for 1989-90. You were still on Finance and Insurance and Local Government, but there was a new one--you were also on Transportation --Public Employees, Retirement and Social Security. You were on that for one term, or two years. Was that a new committee in the legislature?

LANCASTER: No, no. It's not a new committee. It's the committee that deals with, just as it says, the public employees benefit programs and that type of thing. Plus legislation dealing with the state public employees. Also, it deals with the retirement system we have, basically, and Social Security was added that year, if I remember correctly, as a topic because so many programs are now in effect in conjunction with Social Security. And so, consequently, the committee chairman felt that it was essential

that at least the committee had an understanding of what the Social Security program was doing.

DOUGLASS: Because everything in this day and age becomes coordinated?

LANCASTER: Well, not everything. But there are some things.

DOUGLASS: A lot of things need to be coordinated.

LANCASTER: A lot of things do.

DOUGLASS: Why were you put on it? Did you want to be?

LANCASTER: Well, yes, I did. I think I mentioned earlier in our interviews that I tried to broaden my educational process by moving into different committees each two years. And so what I did, I thought that would be an important subject matter for me to become knowledgeable on. So that's one of the reasons I requested it. Right.

DOUGLASS: Did you only serve on it one term?

LANCASTER: Yes, one term.

DOUGLASS: Because you wanted to do other things?

LANCASTER: Yes, right. But, see, if you'll notice, I still maintained the Local Government, Finance, and Transportation [Committees], which is the basic core. But then I continued to add each

year. One year would be Judiciary. One year this.

DOUGLASS: Right. So you would have very broad experience.

LANCASTER: Which was very helpful to me in making judgment decisions on what was going on.

DOUGLASS: Also, a new appointment for you was [the Committee on] Housing and Committee Development that year.

LANCASTER: Yes.

DOUGLASS: Explain now. You requested that, I assume.

LANCASTER: Enid, I'm not sure whether I did or not. But I served on it. I don't remember requesting it, but I think I was put on it because, again, I had some knowledge of the local government aspects of what was going on with local planning, things of that nature. It kind of becomes a parallel with Local Government, in a sense.

DOUGLASS: That's what it seemed to me. That you were just tracking your interest in what's happening in local government.

LANCASTER: That's right. I don't remember asking for it, but it was kind of a new discussion point in the legislature.

DOUGLASS: These two services that you performed on these committees were a part of your expanding your horizon?

LANCASTER: Yes. Public Employees by choice. Housing and Community Development, I can't remember whether it was my choice or not.

DOUGLASS: You still, I think, had been on for some time the Subcommittee on Workers' Compensation of the Finance and Insurance Committee?

LANCASTER: Right.

DOUGLASS: And on that committee, I was just noticing because I have the names of the people on it at that time, quite a few of the Gang of Five were on it. Peace, Eaves?

LANCASTER: Right.

DOUGLASS: And you and [Assemblyman] Jack O'Connell and [Assemblyman] Larry Stirling were the Republicans?

LANCASTER: No. I'm a Republican and Larry Stirling is a Republican. [Assemblyman Patrick] Pat Johnston and Jack O'Connell were Democrats.

DOUGLASS: I knew Johnston was a Democrat, but Jack O'Connell was a Democrat.

LANCASTER: He is now a state senator from Santa Barbara.

DOUGLASS: Of course, the chairman would be a Democrat.

LANCASTER: Pat Johnston was a very knowledgeable, good, articulate chairman, indeed.

DOUGLASS: That's an important committee to chair.

LANCASTER: And Pat is now in the state senate. He's a very good man. And Larry Stirling, for your information, is a judge. And Gerry Eaves is a supervisor in San Bernardino County. And Steve Peace is a state senator. They have all gone some place else.

DOUGLASS: So all have made a move of some kind, because we are getting up to 1990.

LANCASTER: Yes. And they all at once retired. [Laughter]

DOUGLASS: Well, you may have been the most sensible one.

LANCASTER: Oh, we'll see.

DOUGLASS: Let's talk about the Republican leadership situation.

LANCASTER: O.K.

DOUGLASS: Nolan was the minority leader in the assembly, and the Sting occurs at this time.¹

LANCASTER: You've got '84. I don't quite understand.

DOUGLASS: I think that's a typo.

LANCASTER: I am trying to remember the exact date.

DOUGLASS: He resigned in '93 or '94, didn't Nolan?

¹ The Sting was an operation of the Federal Bureau of Investigation, begun in 1986, to investigate political corruption in Sacramento.

LANCASTER: I wasn't there.

DOUGLASS: Nolan was impacted by the Sting, and I wanted to ask you . . .

LANCASTER: He resigned from the legislature or resigned as leader?

DOUGLASS: From the legislature.

LANCASTER: He did resign from the legislature in 1994.

DOUGLASS: I have an "8" instead of a "9."

LANCASTER: Now I was not there when he resigned from the legislature.

DOUGLASS: Right. I was trying to track him in terms of time. So it was '94.

LANCASTER: That's when he resigned and was sentenced to the federal penitentiary.

DOUGLASS: I wonder if you could talk about the whole Sting operation. When you first were aware that something was going on? When did the legislators begin to become concerned about what might be happening in terms of the investigation?

LANCASTER: Well, there had been rumors very consistently that there was an FBI [Federal Bureau of Investigation] investigation in the capitol. But the first definite information that I was aware of that the FBI was actually involved in

--and at that time we did not know it was a sting--an investigation was when they had search warrants and searched the offices of Pat Nolan and [Assemblyman] Frank [C.] Hill and various other members of the legislature. And went in and took documents out. That became knowledgeable.

DOUGLASS: That was in '88.

LANCASTER: Yes.

DOUGLASS: So that was the first that you were really aware that there were problems.

LANCASTER: Of any factual information that they were involved. O.K. And then they proceeded. It became a very quiet situation again. By the way, the FBI never released the information, as far as I know, that they had searched offices. That was really a media thing. [Laughter]

DOUGLASS: Yes. Somebody found out right away.

LANCASTER: Yes. So that started the whole publicity roll on that. I believe that the FBI does not operate on the basis of a media situation. I don't think that's been. . . . And so, consequently . . .

DOUGLASS: Well, with all those offices being impacted, I am sure somebody saw it and would have said something.

LANCASTER: Well, yes. You know, it is no secret. That's where it started, and that's the first information that I had received of any concrete information. Now there were rumors around. There had been rumors of the FBI investigation going on for quite a few years, actually.

It really started with the Moriarty situation, which was the fireworks bill. So that's when I first became aware.

DOUGLASS: And you were still head of this Ethics Committee.

LANCASTER: Yes. But, basically, what it amounts to that's the first concrete public awareness there was of this.

DOUGLASS: Was there a feeling of interpretation being involved and it might affect persons X, Y, and Z? In other words, were people concerned and fearful? Or were they just sort of amazed? Because one thing leads to another, one person leads to another.

LANCASTER: I suppose those people that had something to be fearful about were fearful. And so it did kind

of expand into other areas. For example, the sheriff of Yolo County, which is a county adjacent to Sacramento, got involved. There were staff members involved in the situation.

This whole thing started with this shrimp situation. Shrimpscam, they called it, shrimpgate or something. [Laughter] So it started with that, and it just kept expanding and expanding over a good many years. And it didn't reach the end, frankly, until 1994. And I think there are a total of about eleven people involved. And then, of course, you get involved with [State Senator Alan] Robbins and other aspects of the thing.

DOUGLASS: And then the [former State Senator] Paul [B.] Carpenter thing came along.

LANCASTER: And Clay Jackson. So there were eleven people, I think I am correct on that. Anyway, I believe there were eleven people that either pled guilty or were convicted in that whole operation.

DOUGLASS: Then, of course, we are seeing the result of some of that now with the fact that Hill's seat was open.

LANCASTER: Yes. And now you have the 59th [district] assembly seat open because of it.

DOUGLASS: It does have a domino effect.

LANCASTER: Of course it does.

DOUGLASS: That must have been kind of an unpleasant period to live through?

LANCASTER: Well, I am sure it was for those people who were concerned about what was going on, but, frankly, from my perspective, it didn't bother me. And that activity that these people were convicted of, or pled guilty to, should have been brought to the public awareness. Because we don't need that.

DOUGLASS: There may have been flagrant refusal [on the part of legislators] to even talk to someone if they hadn't proven they had given to their campaign?

LANCASTER: I am not aware. I can't speak for anybody else.

DOUGLASS: I wanted to ask you. Did this put a different twist to the interpretation of the honorarium? Because that was a focal point of a lot of this.

LANCASTER: Well, in the midst of all this the speaker appointed a select committee of the assembly,

which I served upon, to come up with a whole ethics package. It was not just the committee I was chair of. You see, the committee I was chair of is a joint committee between two houses. It is really not a legislative committee.

The speaker wanted to put together a committee of the assembly to develop an ethics program. And the chair of that committee was [Assemblyman] John Vasconcellos, and I served on it. And we put together the whole package that finally went to the voters, which they approved--which eliminated the honorarium, by the way--and set up this whole procedure, including the salary commission. Part of that package was the development, which I did have something to do with, of the ethics educational program that they now have in the legislature, in the assembly.

DOUGLASS: I remember reading about this. Apparently, the senate took a slightly different approach. Would it be right to say that the assembly approach was more of a hands-on informational thing?

LANCASTER: The assembly approach is just that. I guess it is still going on. When the new legislature comes to session, they actually hold seminars. The staff that is counsel for the committee-- the attorney general's office, the Fair Political Practices Commission, and anyone else that the staff man from the committee thinks is of value--will conduct a seminar, and the federal attorney general's office. Because, you see, you are involved with what they call the RICO statute. So consequently this was all explained to them, what the law was and that type of thing. And the Fair Political Practices Commission, which has responsibility for the monitoring of campaign activity, for funds. That was explained. And also the rules of the house. So that was a good deal.

DOUGLASS: Do you think that had an impact?

LANCASTER: I think it did. At least they had an impact in the sense of knowledge being a cornerstone of democracy, so to speak, and there was knowledge. Yes. I usually took about four hours to do this. It was a four-hour seminar.

DOUGLASS: It is complicated.

LANCASTER: It worked out very well.

DOUGLASS: It relates to the statement of economic interest, all the things . . .

LANCASTER: Oh, yes. Same thing. Fair Political Practices, that's right.

DOUGLASS: . . . being filed and how you have to add to that.

LANCASTER: And what is, you know. Now when Prop. 9 was first adopted it was very cloudy on type of gifts and things of that nature. Really, nobody would even take a gift from their brother or sister. I remember one of the incidents that happened to me. It was our twenty-fifth wedding anniversary. It was a surprise twenty-fifth wedding anniversary for my wife and I. And Prop. 9 was in effect, and it was not clear. So it was our silver [wedding anniversary]. My son threw the party. My wife and I went to the party, not even knowing they were going to be there at the party, and received all this silver. I had to go out and check the prices of each one.

DOUGLASS: Oh, you're kidding. So you can't separate a personal experience like that?

LANCASTER: Well, they have now. They have now. They have clarified these rules.

DOUGLASS: It wasn't a campaign thing.

LANCASTER: Well, no, but they have clarified it. But I didn't know. So in order to make sure I adhered, because I didn't. . . .

DOUGLASS: What a job.

LANCASTER: Yes. But I had to have that information available if they needed it.

DOUGLASS: Yes, which was smart.

LANCASTER: Yes. [Laughter] But it was a terrible thing to do, though. Think about it.

DOUGLASS: And a lot of work besides.

LANCASTER: Yes. It's not right. That shouldn't be. If your son gives you a gift on a wedding anniversary, you shouldn't be involved with it. That's none of the state's business. If a lobbyist gives you a gift, that's something else.

DOUGLASS: Was there surprise among the Republicans in the assembly that Nolan was affected by the Sting?

LANCASTER: I can't speak for anybody else, Enid.

DOUGLASS: All right. Were you surprised?

LANCASTER: Yes. Frankly, I was. I thought Pat Nolan knew better.

DOUGLASS: Was this quite a blow then to the Republican group? Or was it an opportunity to bring somebody else in.

LANCASTER: Well, he was no longer the minority leader.
[Assemblyman] Ross Johnson.

DOUGLASS: That's right. Ross Johnson started in '89.

LANCASTER: Yes. And then it changed again after that. From Ross to somebody else. He resigned, by the way, because of the '88 elections.

DOUGLASS: Who did?

LANCASTER: Nolan. He lost three Republican seats.

DOUGLASS: Oh, yes, resigned as minority leader. How did Ross Johnson happen to be chosen?

LANCASTER: He was selected.

DOUGLASS: Was he the obvious person?

LANCASTER: No. It was a very close election. I voted for
[Assemblyman] Bill Jones.

DOUGLASS: Oh, he was running then.

LANCASTER: Yes, for minority leader.

DOUGLASS: He was up front then.

LANCASTER: Yes. The caucus was pretty well-divided.

DOUGLASS: Let's go over a few of the bills. If you think of bills that are more important, bring me up short on it. There are three in this period that I thought were representative. One was

A.B. 438, which was 1988, about variable rate loans for savings and loans and also about the business of using home equity lines of credit to purchase another residential property.¹ Could you explain?

LANCASTER: I am trying to remember.

DOUGLASS: This bill seems to address two different things. You set up regulations setting standards for variable rate loans for savings and loans and insurers. That was an expansion, I gather.

LANCASTER: Now, Enid, I think it's important to make a comment along this line. This was 1988 [1989].

DOUGLASS: It went on the books in '88 [actually '89], at any rate.

LANCASTER: It came out in '87. It probably started in '86. In that period of time, back in the late seventies there was a huge inflationary market in homes, in California. And the equities were rising very rapidly. Now it's leveled off. But, anyway, this created a whole new area of financing because most mortgages prior to 1980 were at a fixed rate. And those lending

¹ A.B. 438, 1989-1990 Reg. Sess., Cal.Stats., ch. 188 (1989).

institutions that had a lot of fixed-rate mortgages out there--in other words at 6 and 5 and 3 and all-that percentage--were really having serious financial problems because that's not what they were paying for money on new stuff. And they wanted some mechanism to bring about a way to try to offset this. The variable rate was then created at both the federal and the state level.

DOUGLASS: That's when it began?

LANCASTER: Yes. And the variable rate is just that. You buy your house today and you pay a percent, whatever the percentage is, over the prime. If the prime rate goes up, your mortgage payment goes up. Which is why a lot of people complain when the feds raise interest rates. And that required some fine tuning. Because it was basically a new field.

I believe this came to me from the savings and loan people, or the bankers, I guess. Yes. Because it was necessary to do some clarification. But, also, I can see now. In other words, you had this huge equity, and you were taking this equity and you were going out and buying another house. That created some

serious problems, I guess. It evidently did. So that was the reason. But then I think the biggest part of that bill was making sure--in fact it was--eliminating confusion about who had what jurisdiction over it. [Laughter]

DOUGLASS: Yes. That's between the Savings and Loan Commissioner and the Superintendent of Banks.

LANCASTER: Yes. Because, remember, the banks were moving in that direction, into the mortgage field. And, by the same token, the savings and loans were moving into the banking field. And so that was the purpose of that legislation. And I see I got a letter of commendation from the bankers for it.

DOUGLASS: Right. But, do you recall, was the home equity. . . . In other words, did you see this bill as enabling or tightening?

LANCASTER: No, I think it tightened it up.

DOUGLASS: So people couldn't use their home equity.

LANCASTER: I am not sure they couldn't.

DOUGLASS: Or tighter standards.

LANCASTER: Yes, that's right.

DOUGLASS: And I have a note that the federal . . .

LANCASTER: It preempted. Yes.

DOUGLASS: . . . law wasn't clear.

LANCASTER: No. It was unclear. And that was part of the problem. So, actually, this was a conformity measure to the federal law, primarily. That part of it.

DOUGLASS: Then one that is sort of fun to be curious about. A.B. 706 [613 is the correct no.] in '89 had to do with private investigators.¹ Apparently, this was a bill which changed the way in which they were licensed. I just wondered if something was going on out there. It provided that an employer or his agent may certify that a private investigator is eligible for licensing. It must have replaced some more involved system.

LANCASTER: Well, it had to do with unemployment compensation, for one thing, and the department. . . . 706? It says here Employment Development Department Building Fund.

DOUGLASS: O.K. Then I've got the wrong number for the bill.

LANCASTER: According to this [list of bills] it has to do with the sale and exchange of state property.²

¹ A.B. 613, 1989-1990 Reg. Sess., Cal. Stat., ch. 529 (1989).

² A.B. 706, 1989-1990 Reg. Sess., Cal. Stat., ch. 1035 (1989).

Anyway, this bill was a good bill. See, the control of state lands. The Department of Unemployment, which rents or owns a lot of property in California building-wise. This set up a procedure where they could actually take other state land and utilize the money to go into the Department of Employment [Employment Development Department] for the purpose, as this says, for the development of the employment offices and things. In other words, they basically couldn't do this before. Let's say that they had a need over here in the Employment Department and they sold a piece of property in General Services, outside of transportation, and then they wanted to use that money for help on the unemployment. This would allow them to do that.

DOUGLASS: I remember that. Which gave them more flexibility.

LANCASTER: Which I always tried to do. Because it is silly to have a pot of money over here they can't use, and then over here their tax needed to increase.

DOUGLASS: Then the other one I had was A.B. 2639 on liability self-insurance, in 1989.¹ This was apparently expansion of the bill you carried about four years before. Does that ring a bell about anything in particular? Or was it just a logical extension.

LANCASTER: It rings a bell. Prior to that I developed--I can't remember exactly how it worked--a way for transportation entities for nonprofit Now we are talking, for example, of the Sonrise School over here, which has a system of transportation. (I don't know whether they do or not.)

DOUGLASS: As an example.

LANCASTER: Yes. Or it could be the handicapped. O.K. That original bill allowed them to become self insured. Which they couldn't do prior to that. And this allowed these pools to expand--in other words they could join together--and it had to do with their tort liability and property damage and that kind of stuff.

DOUGLASS: So it was a continuation of the logic of the earlier bill?

¹ A.B. 2639, 1989-1990 Reg. Sess., Cal. Stat., ch. 717 (1989).

LANCASTER: Right. A few years earlier.

DOUGLASS: In 1990 [Senator] Pete Wilson ran for governor. Were you concerned about his resigning his [U.S.] senate seat to do that? Did you feel he was the logical candidate?

LANCASTER: Was I concerned about it? I, frankly, would have, I don't like to use the word, preferred he stayed in the senate. One of the things that I found out over the years that is important, in contrast to people who believe in term limitations, that the senators and congressmen from California develop seniority--of course I hope they are all Republicans--they develop some seniority. And so when the junior senator--at that time [Senator Alan] Cranston was the senior senator--resigned to run for governor, that concerned me. Because I would have preferred that he could develop seniority. And, from a partisan standpoint, of course, gives the state an edge too. I guess [Senator Diane] Feinstein wouldn't be. So, anyway, yes. The answer to that is yes. But, by the same token, once the decision was made, I did support him.

- DOUGLASS: You probably watched him when he was the mayor of San Diego.
- LANCASTER: I did. I think, also, though he wasn't in the legislature when I was there, I was aware of his record. He has a fine record. He and I differed on some issues, but, by the same token, he is a good man. By the way, he may be president of the United States.
- DOUGLASS: Yes. It is obvious that a California governor is a potential choice. I was interested in the 1990 election, the last one you ran in, that a woman named Selma Calnan was the person who ran against you.
- LANCASTER: Yes. Selma Calnan used to work for [former Congressman] Jim Lloyd. She was in his office operation in the district.
- DOUGLASS: I didn't know that. Your majorities were very clear cut, but this was a tighter race than you had had for a while. You carried 55,357 votes, or 64%, and Calnan had 36,979, or 36%.
- LANCASTER: I dropped in percentage, but everybody did.
- DOUGLASS: It is the closest since the Baldonado race, I think.
- LANCASTER: Yes, but it was still substantial. It was over 60 percent. But what happened was that all

incumbents at that point were starting to lose favor.

DOUGLASS: Did she put on quite a campaign?

LANCASTER: Not really.

DOUGLASS: It was a pretty usual kind of thing?

LANCASTER: Usual thing. Yes. Nice lady. I only met her once, you know, and that was in Claremont, when I went to the League of Women Voters program out there at some school.

DOUGLASS: Let's move to 1991-92. You were now on what was called the Banking, Finance and Bonded Indebtedness [Committee].

LANCASTER: Yes. The Finance and Insurance Committee had split up. And I moved at that time from the insurance aspect into the banking and finance and bonded indebtedness, which, unfortunately, is the way we are going more and more on paying for. . . . I had some concern, and still have some concern, about general obligation bonds being utilized for ongoing costs rather than capital outlay. And I think that's still happening. So, anyway, I wanted to be on that. So when they split up the Finance and Insurance Committee and brought this aspect in and added bonded indebtedness, I made the decision then,

in 1990, to move from the insurance aspect into this.

DOUGLASS: How many committees did it split up into?

LANCASTER: Just two that I remember.

DOUGLASS: So there was still the Insurance . . .

LANCASTER: Yes. Which handled all the workers' compensation stuff and all that.

DOUGLASS: And then there was this, the Banking, Finance [and Bonded Indebtedness].

LANCASTER: Yes. You know, when I first went on Finance and Insurance, it was Finance, Insurance and Public Utilities. It had all the public utilities. And we had all the licensees, all the Department of Commerce professional licensees. The realtors, you know, everything. So that was split off. And now they split it again.

DOUGLASS: So this was your choice. You wanted it.

LANCASTER: Yes, it was my choice.

DOUGLASS: And then you were still on Local Government, and I noticed that [Assemblyman] Sam Farr was chairman of that committee.

LANCASTER: Yes. Sam is now Congressman Farr. Nice guy.

DOUGLASS: Yes. Of course, he came out of Monterey County.

LANCASTER: Carmel. His father was a state senator.

DOUGLASS: Right. He was, I suspect, pretty knowledgeable about local government?

LANCASTER: Yes, he was. He and I had some differences of opinion on what local government ought to do, but, yes. Sam's a nice guy. He's a fair man, and we worked well together.

DOUGLASS: Then you were still on Transportation.

LANCASTER: That's correct. In the meantime, I was still on the Ethics Committee all the way through all this.

DOUGLASS: So you basically had three committees at this point, plus the Ethics Committee.

LANCASTER: Yes.

DOUGLASS: So you were concentrating your energies a little more?

LANCASTER: Basically, that's right. The new field for me was this bonded indebtedness. That year.

DOUGLASS: It was new to everyone?

LANCASTER: Basically, you're right.

DOUGLASS: Did that take a lot of staff expertise to help with that?

LANCASTER: Not so much public payroll. We received a lot of expertise from the private sector because, you know, that's a whole field. You know, the

selling and buying the bonds, public municipal bonds and all that stuff. So it was interesting. Was interesting and still is.

DOUGLASS: This is the last period of service for you. What was the Transportation Committee focused on during this last period you served on it?

LANCASTER: Not enough in rubber tire, what I call rubber tire, and more into the arena of rail. And that was the era, just before then and then is when this whole--not Metrolink, that's O.K.--subway operation started out, which I was very much opposed to.

DOUGLASS: So had the interest in overall multi-modal kind of thing . . .

LANCASTER: Well, no, it was actually more rail.

DOUGLASS: . . . faded. It had faded, so the focus was on rail and not on moving cars around?

LANCASTER: [Assemblyman] Richard Katz [Transportation Committee chairman] was from Los Angeles City, and he is a very qualified individual. But he thinks metropolitan. He is a big promoter of rail. We also at that time did some straightening out of the structure in Los Angeles County. [Metropolitan Transit Authority and Los Angeles Transportation

Commission] We got rid of one. Remember that? And combined the groups together. We had a terrible conflict of the thing going on around here. And that was also when we finally codified this Foothill transit thing. Because that's a new concept, too, you know. Breaking away and working. I am convinced that the rubber tire--I am not against rail per se--but you just can't ignore the rubber tire. You just can't.

DOUGLASS: I noticed when I came over here, Saturday, the freeway was absolutely jumping with people in their cars. They are not necessarily going to work.

LANCASTER: No, they're not.

DOUGLASS: Let's talk about Republican leadership and the emergence of Bill Jones. There was a very interesting article.

LANCASTER: "The Broken Elephant."¹ Yes, I remember that.

DOUGLASS: That article was really something, and you do probably remember reading it.

LANCASTER: I do. I remember.

¹ A. G. Block, "The Broken Elephant: Fall of Assembly Republicans," *California Journal*, October 1991, pp. 444-449.

DOUGLASS: It said that because of the 1991 budget negotiations the Republican caucus was at its worst. And then the splits that were going on with Nolan refusing to help the Gang of Five. As I gathered from that article, and maybe you will contest its accuracy, there were three groups, as they described it.

LANCASTER: Who were the three?

DOUGLASS: The ones who supported Ross Johnson, who the article described as hard-core conservative plus some moderates. The group to overturn Johnson were hard-core conservatives and Nolan was named. Johnson enemies, named as [Assemblywoman] Cathie Wright, who were looking for an alternative. That's probably not the way you see it. So I am just throwing that out.

LANCASTER: [Laughter] Well, O.K. That period of time they were right about one thing. The Republican caucus was, I don't like that word balkanized, it was divided. And Bill Jones, who I supported, was a part of the, I don't use the [term] moderate-conservative because, frankly, Bill Jones is a very conservative gentleman. But the fact of matter is there was

a group of us who felt that Bill Jones would be a better leader. And, also, very interesting at that point, start to improve our image. Because there was an image. A lot of people perceived the Republican leadership to be--in fact they coined a word called cavemen--and so there was a need to help on that question, too.

The Gang of Five. Now the Gang of Five existed around that time. Though I have no factual knowledge of Nolan's activities with the Gang of Five, but I am convinced in my own mind, it is my opinion, that if Nolan had have cooperated with the Gang of Five, Willie Brown would have been history. And he didn't.

DOUGLASS: And I guess Deukmejian was not discouraging that kind of thing?

LANCASTER: I don't know where Duke was on the issue. So, anyway, that's basically where it was. And, as it ended up, we elected Bill Jones.

DOUGLASS: The article did say that Jones was a person who sought to end the confrontation.

LANCASTER: That's correct.

DOUGLASS: And was looked on as a moderator sort of in this situation.

LANCASTER: Basically, that's right.

- DOUGLASS: Or the obvious choice.
- LANCASTER: Yes. And I think it was a wise decision. He subsequently has gone on, as you know, to be the secretary of state.
- DOUGLASS: Right. One interesting thing was the article certainly paid you a compliment. It listed what they called the good-image "short bench" Republicans. They referred to the fact that it was a short bench. It was you and Jones, [Assemblywoman Beverly] Hansen, Nolan, and [Assemblyman William P.] Bill Baker. It was a description of the amount of thought you put into things, the basis for your judgments. And it was quite an interesting article. And partly true, I suppose.
- LANCASTER: Yes. It was a lot of conjecture on their part, but there usually is. Basically, the message was correct. Yes. We were having problems.
- DOUGLASS: But it was, as I say again, very complimentary to you.
- LANCASTER: I remember that. I really appreciated that. I remember it.
- DOUGLASS: And they even had the pictures, I think, of some of you that they said these were the leadership people.

What do you know about [Assemblyman] Jim Brulte becoming minority leader?

LANCASTER: The first time I met Jim Brulte he was with [Assemblyman Charles] Chuck Bader. Prior to working for Chuck Bader, I did not know him. To me, prior to meeting him, he was on the advanced staff for the vice president of the United States, George Bush.

DOUGLASS: Oh, really. Right. I think I read that in the *Times*.

LANCASTER: That's right.

DOUGLASS: But you met him then?

LANCASTER: Oh, yes. Because he was putting things together for Chuck Bader, and whether he was on Chuck's official staff or not, I don't know the answer to that.

DOUGLASS: Now Bader was from Pomona?

LANCASTER: Assemblyman from Pomona. A former mayor. And that's where I first met him.

DOUGLASS: So Brulte was already in the Rancho Cucamonga area?

LANCASTER: Yes. That's right. And then when Chuck Bader made the decision to run against [State Senator] Ruben [S.] Ayala--it was very unwise on his part--they brutally pummeled him.

DOUGLASS: So that's a fairly quick emergence, isn't it, for Brulte?

LANCASTER: I have no idea when he started out there. I think he is from the area. So he left and came back is what it amounts to.

DOUGLASS: He wasn't elected to the assembly very long ago, was he?

LANCASTER: He is in his last term of the term limitation. He can no longer serve more. And the rumor is --I don't know if it is true or not--that he is going to run for the state senate, [State Senator William R.] Bill Leonard's seat, because he is in his last term, too. And the rumor is Bill Leonard is going to run for the state assembly. [Laughter] Term limitations is really working, right? [Laughter]

DOUGLASS: It makes a lot sense, doesn't it?

LANCASTER: Yes. No sense at all.

DOUGLASS: I have a couple of bills. And, again, let me know if you see things that are more important. One was A.B. 586 on actuary liability.¹ And it had to do with the use of reserves and the computation of them. And I just noted it

¹ A.B. 586, 1991-1992 Reg. Sess, Cal. Stat., ch. 737 (1992).

because it created a liability if information that was required, or opinions from a consultant was required. . . . It's 1992. Read what you have there. It would be better than my trying to paraphrase it.

LANCASTER: One of the responsibilities of the Public Employment Committee was to deal with the investment practices of the PERS people. In other words, those people that do our retirement funds. This measure, I honestly don't remember the total picture, but I believe this came to me from the department relative to a need to do just what this says. Now I don't remember, Enid, any of the detailed circumstances that led up to this need. But it is clear what it does. It makes the actuary liable if they are involved in negligence deliberately.

DOUGLASS: Not giving adequate professional information?

LANCASTER: That's right.

DOUGLASS: There must have been a problem that was emerging.

LANCASTER: And, as you know, these people invest billions. And they are right on top of the market.

DOUGLASS: Isn't PERS one of the biggest in the country?

LANCASTER: I am sure it is. It has to be. I mean, now, you are probably in the PERS system some place.

DOUGLASS: No.

LANCASTER: You're sure. Not from your educational standpoint, but from your city council activities?

DOUGLASS: No, we weren't paid for that.

LANCASTER: You weren't in their retirement or health plan?

DOUGLASS: No, nothing. In Claremont you do it for the public.

LANCASTER: Well, I never was either when I was a city councilmen. But a lot of cities are now.

DOUGLASS: Some cities do that. The school board does have health insurance [in Claremont], I believe.

LANCASTER: Anyway, there are lot of people involved with PERS.

DOUGLASS: I know that. And I think it does well by people.

LANCASTER: Actually, the investment practices of PERS is very good.

DOUGLASS: They are highly regarded, aren't they?

LANCASTER: Highly regarded. These actuaries are good people, and they get paid a lot of money. But you have to.

DOUGLASS: A.B. 587 in 1991.¹ I only picked it up because I have been following Orange County. But I noticed this had to do with a domestic casualty insurer being able to invest for hedging purposes. And I guess life insurers had been able to, and this enabled casualties to. But, as you have expressed it to me earlier, you don't think there is anything inherently wrong with hedging.

LANCASTER: No, not at all. In fact, in order to remain solvent as an insurer, you have got to lay off your risks, so to speak, and it's important that you do that. I don't remember the. . . . It added the life insurance people.

DOUGLASS: Apparently, the casualty people wanted to be added to get that.

LANCASTER: Yes. That's right.

[End Tape 8, Side A]

¹ A.B. 587, 1991-1992 Reg. Sess., Cal. Stat., ch. 1080 (1991).

[Begin Tape 8, Side B]

DOUGLASS: The bill that Wilson vetoed. A.B. 2042, which was in 1991. I'll let you speak to the story as it evolved.

LANCASTER: Well, in California law it requires that you have automobile coverage insurance. And the insurance is not to benefit yourself. It is to protect the other guy. There are people who have very bad driving records, and, consequently, they are put in what we call the assigned pool. In other words, no individual company, correctly so, will assume the responsibility for these people who have these terrible records.

So because the law requires them to have coverage we developed what is called the assigned risk. Now that's all the casualty automobile writers in the state begin with this pool, and they have to assume a certain percentage of it, see. And when it was started out, they charged a rate that was commensurate with the risk. Let's say the person was assigned to State Farm [Insurance Co.]. State Farm would charge that person a higher rate

than he would the normal State Farm customer, because of the risk.

What happened over the years, the assigned risk pool became a form of subsidization of insurance. That was, the rates collected did not, and particularly since [Insurance Commissioner John] Garamendi became in office, they went from a The assigned risk pool rates had always been set by the insurance commissioner, whether it was the governor's appointee or elected. But over the years that rate did not keep over what the costs were. And, in effect, those people who buying insurance were subsidizing those people who were on the assigned risk. And I thought that was wrong.

Now I put in the bill that required that the assigned risk pool rate be actuarially sound. The governor is wrong. This would have required the insurance commissioner to allow the insurance companies to set a rate commensurate with the risk involved. They are not doing it now. We found people with Mercedes Benz--with all of these kind of vehicles, Rolls Royces--on the assigned risk.

DOUGLASS: So it was a good deal?

LANCASTER: It was a good deal for them. But the problem was you and I, who are not that kind of a driver, are paying for it. I never could convince the insurance adviser. . . . And, of course, Garamendi opposed the bill because he wanted the flexibility. And a lot of people in Sacramento think that is a fine social program because it allows people to get insurance for their car, but the problem is it's a subsidy.

O.K. Now, I could never convince his insurance adviser that this was actuarially the way to do it. I tried and tried and tried everything.

DOUGLASS: So, ostensibly, was the reason Wilson gave was the one that Garamendi had held?

LANCASTER: Basically, yes.

DOUGLASS: That it will just increase rates paid by good drivers.

LANCASTER: Yes, that's right. [Laughter]

DOUGLASS: But, actually . . .

LANCASTER: No, it wouldn't. The reverse would be true, see. I am not a fan of Garamendi as an insurance commissioner. He really, in my opinion, did not have the basic knowledge, nor

the people around him who really understood, at that point, anyway, the insurance business. And so this was heavily supported by the insurance industry, obviously, because it made sense.

DOUGLASS: So the roadblock was Wilson's adviser, apparently?

LANCASTER: It was. There was another thing that entered into this picture at the same time. At the same time, I had carried a bill, which he signed, simultaneously--in fact the number was close--that. . . . First of all, remember this, we went from a nonapproved rate state to [Prop.] 103, which meant we then became a state where the insurance commissioner had to approve the rates.¹ That's different. So what Garamendi was doing, here came an insurance company for a rate increase, rate reduction, or a new product. And they would go to Garamendi, and Garamendi would not do anything. He would sit on it. So I put in a bill that required that Garamendi is to start a public hearing, which the law required, on this request--up or

¹ Proposition 103 (1988) provided for an elected state insurance commissioner and rollback of rates.

down, whatever it was--within six months or the request became law without him.

DOUGLASS: This was A.B. 2875.¹

LANCASTER: That's right. That was coming along at the same time. The governor signed that and didn't sign this. And I don't know. I am sure it wasn't. . . . But.

DOUGLASS: You couldn't get the votes to override a veto, probably?

LANCASTER: Oh, no, I didn't even try. But I frankly was right. That is a good bill. It was in the public interest, but, you see, it flew in the face of those people who didn't admit it but realized the assigned risk pool was a social program.

In fact, if you'll think back to those days, this has now been corrected. Because you remember all the ads you used to see on television?

DOUGLASS: For auto insurance? Yes.

LANCASTER: That was what they were doing. See, they were taking a person and putting them on the assigned risk.

¹ A.B. 2875, 1991-1992 Reg. Sess, Cal. Stat., ch. 1257 (1992).

DOUGLASS: So they were offering these great rates.

LANCASTER: And you and I were paying for them.

DOUGLASS: So, in other words, there wasn't a legal definition of assigned risk which would have prevented that.

LANCASTER: Well, no. The insurance department [Department of Insurance] always set the rates, and the rate had been too low, too long, for assigned risk. But, remember, we went through a whole new change relative to. . . . First of all, the insurance department became the insurance commissioner, and everything was elected. The whole thing changed.

DOUGLASS: But isn't the problem here that there is no legal definition of who an assigned risk insuree is?

LANCASTER: Oh, yes, there is.

DOUGLASS: How do you qualify? How do they get by with this?

LANCASTER: It's points. In other words, your driving record, you get points at the DMV [Department of Motor Vehicles], and the insurance companies weigh your points, whatever it is.

DOUGLASS: Unless they are truly a terrible driver, how does the person with the Jaguar . . .

LANCASTER: They are terrible drivers.

DOUGLASS: Oh, I see. And they sort of don't go out of their way not to be a good driver.

LANCASTER: That's right. And so they go to the assigned risk. In fact, I can't say who they were, but there were some well-known people who were an assigned risk.

DOUGLASS: Well, the *Times* just had an amazing figure in it, that 37 percent of people driving cars in this area are uninsured.

LANCASTER: I don't know the figures. There is a lot of people, I know that. I am aware of that. But that's another issue. That's why I am for no-fault [insurance]. I am for no-fault.

DOUGLASS: Also, with some of those people it literally may be the problem of putting food on the table and paying for insurance. So they don't do the insurance. It's partly economic, maybe, with some of those people. Other people just take a chance, I assume.

LANCASTER: Well, you know, it dovetails, Enid, into our whole structure now. You've got a situation of a lot of people who unfortunately don't understand the need for insurance. They may be from a country that is not as strict on it.

The second thing is that you do have economic circumstances, it's true, and auto insurance is not cheap.

Of course, part of the problem is created by the passage of [Prop.] 103, which created the insurance commissioner, because they eliminated what they called redlining. But, you see, it was not redlining. The insurance rates of your automobile, prior to the passage of 103, was based upon the history within your geographical area. And the insurance industry used zip codes. I always made a comment to people who asked me, "If you are interested in moving some place, check the city you are moving into, check the school district, and check your zip code." [Laughter] It's because it's a unit, you see, it's like a precinct.

And so when these people in central Los Angeles and San Francisco and Oakland and the big metropolitan areas were paying a higher rate than you and I were paying here--by the way our area was the lowest rate in the county --they said that is redlining. It wasn't. It was entirely related to what was happening in that zip code area. I mean the hub caps were

being stolen. You see. So there came this great hue and cry about redlining. That means discrimination. It's not. So, consequently, what happened, we now are paying higher rates. Which now throws off, again, the next problem on the assigned risks.

A lot of people--who won't admit it--think it's a social program. In other words, they are able to afford to pay lower rates in those areas that are high risk because of that, and we pay for it right here at home.

DOUGLASS: So way early on you talked about no-fault, and you did say then that you had come to the conclusion that's the answer.

LANCASTER: No-fault is the answer. Not the total answer. Because I always resisted giving up your right to secure remuneration, or whatever, satisfaction, because of somebody who was negligent to you. But we have reached a point on auto casualty, and we just simply have got to create a circumstance where, up to a limited amount of money under certain circumstances, your own company is going to pay for it and nobody else.

DOUGLASS: Eliminating the legal gymnastics?

LANCASTER: Yes. And the way we set it up, the bill we did work on that finally came out of the committee was a bill that would have eliminated at least over half of the lawsuits. But, of course, you know, the trial attorneys fought that.

DOUGLASS: The big barricade is Willie Brown, partly?

LANCASTER: Basically, yes. The trial attorneys, which he is. He is very, very sympathetic to trial attorneys.

DOUGLASS: Well, it might just work.

LANCASTER: It's going to work.

DOUGLASS: Do you think it will be passed by the legislature? Or do you think it will go on the ballot?

LANCASTER: I hope it is passed by the legislature because it's not really a ballot situation. It can be done that way. Because I am sure whatever is adopted is going to have problems. And, therefore, if it is legislatively done, you can correct it.

DOUGLASS: It should come from the legislature. Like a lot of things it ought to come out of the legislature.

LANCASTER: That's right. I consider the initiative process to be overly utilized. But who to blame for it? The legislature, I guess.

DOUGLASS: I wanted to talk a little bit more about this A.B. 2875, the one forcing Garamendi to give an answer within 180 days.

LANCASTER: Not an answer. To start the procedure rolling.

DOUGLASS: Yes. To have the application start to go through the process, 180 days after the date received.

LANCASTER: He was sitting on things for a year, you know.

DOUGLASS: He, apparently, was ignoring these.

LANCASTER: Yes, he was.

DOUGLASS: And then I think his response was that until the companies rebated the money . . .

LANCASTER: In other words, he was trying to use it as an arm, if you will, if that's the word to use, to the companies to say, "O.K., fulfill your reduction under 103." That's wrong for two reasons. One is that at the time it was under a lawsuit in court. And number two, it is just wrong for a government agency to do that. Government agencies should not be in the business of blackmailing. They shouldn't be.

And the bill was fair and right because the public--and that's who we are talking about--has a right to a judgment decision, within a reasonable period of time. Because we are now talking about people's rates. We are also talking about a product, because it might be new on the market, as a benefit to the public. I'll give you an example. A new product that is developing is domestic home care. Do you see where that would be? It seems to require an insurance commissioner's ruling on the rates. Any smart insurance commissioner, in my opinion, would really let the insurance industry, under guidelines, set their own rates.

DOUGLASS: And then merely monitor them?

LANCASTER: Monitor, yes.

DOUGLASS: Just react?

LANCASTER: That's right.

DOUGLASS: I was interested in that in your bill file on this bill I did find a letter from you to Willie Brown. Apparently, Brown had been helpful in handling this bill in the assembly.

LANCASTER: That's correct.

DOUGLASS: The information that I gleaned was that somehow you were communicating with him that you had removed the opposition of the Consumer's Union.

LANCASTER: That's correct.

DOUGLASS: What was that about? Why were they opposed to this bill?

LANCASTER: I am trying to think back. They were initially opposed to the requirement that the commissioner do certain things. I can't remember, Enid, what I did, frankly, to remove their opposition. But if I remember correctly, they went from opposed to neutral. I don't think they ever supported it.

DOUGLASS: Could it have been that it was Garamendi's reasoning about the rebate money that they were hung up on? That they were annoyed because the companies weren't giving the rebates?

LANCASTER: Well, I don't think that was it. I don't think that the Consumer's Union. . . . Which, by the way, I think is a very fine organization. I don't agree with them all the time. They put out that magazine, you know. *Consumer's Report*. Anyway, they originally were opposed. I am trying to remember why. They never did

support it. I am sure of that. But I think they went neutral on it.

Now the reason I was corresponding with Willie Brown was also interesting. This bill became law on July 1, 1993, which, by the way, was seven months after the normal effective date of January 1993. Remember the one I lost in '92. Because I wanted to give more time to the insurance commissioner. It was chaptered in 1992. The effective date was '93.

My wife had passed away, and I could not be there during the month of January. She hadn't passed away, but she was very sick. So I was not there. I ran into this deadline of the 30th of January.

DOUGLASS: I see.

LANCASTER: So I sent word up to Sacramento that I wanted somebody to take over the bill for me on the floor. And Willie did.

DOUGLASS: How fascinating.

LANCASTER: Yes, he did.

DOUGLASS: And he didn't oppose this bill?

LANCASTER: Willie, no. And there is nothing wrong with the measure. It's logical. It makes sense. I am not saying to the insurance commissioner,

you've got to decide in sixty days. I am not tying his hands.

DOUGLASS: Just start the process?

LANCASTER: Start the process. Because it would be wrong to say to him, even though I don't agree with the whole concept at all, you've got to make a decision within thirty days. Because some cases may be. . . . But it was not right, either, for him to sit on it. And these people were just in the wind out there, not knowing what to do.

DOUGLASS: I'll bet you were getting complaints?

LANCASTER: Well, it was a whole kind of interesting area. That's when 103 came around, and everybody thought it was going to be great shucks.

DOUGLASS: I would think that the insurance companies would be complaining vociferously.

LANCASTER: Of course they were. And not only that, the consumer gets affected too, because if the rate is too low and they need to increase the rate, if they have to wait two years to increase the rates, like the telephone company. . . . In fact, you are going to find the insurance industry, just like the telephone companies and the [Southern California] Edison Company and

all the public utilities, in effect, have a constant battery of insurance requests, just like that. Rate increases or rate decreases, or whatever.

DOUGLASS: Always something up there?

LANCASTER: Always. That's what the utilities do, you know. They have a full staff of attorneys. You would go to one rate, and you'd put it in. It takes eighteen months to get a decision. You have another rate right behind it. Because what 103 did, and is one of the reasons I object to it, it made the insurance industry a public utility. And it isn't. It's a competitive business.

Before we leave that, there is another thing that's important, too. It also adversely affected the people I represented because it took away their favorable conditions for insurance rates and made us a part of the big melting pot of the state. We no longer use a zip code as a criterion. We are now part of the whole thing.

In fact, I was with Garamendi when he was still a state senator. We were speaking to the insurance industry at Quail Valley Lodge in

Carmel Valley. We were on a panel together on this question before it was adopted. And I made the statement, "Anybody that Senator Garamendi represents would be nuts to vote for 103." Because, you see, he represented the rural areas of northern California. He never did say whether he was for or against it.

DOUGLASS: This is a bill that died, and I am interested in knowing exactly why. It was your bill, A.B. 26, in 1991 about the imposition by counties of fees for booking persons arrested.

LANCASTER: Oh, yes.

DOUGLASS: And the cost that the county could charge for administering the property tax.

LANCASTER: O.K. One of the great questions that arose in the Wilson administration, and you are now seeing more and more of it, was this need to balance the state budget. And one of the mechanisms utilized to balance the state budget was to establish revenue sources for those entities they were taking money away from. So what they did--and I voted against it and I tried to repeal it--was it allowed the counties to bill the cities for booking charges and charges for the assessed valuation. It also

did something else. It allowed the counties-- which I don't object to--to enact a law, a business license fee within the county. See, they never had one before.

DOUGLASS: Not a county fee?

LANCASTER: Yes. Which was fine with me. You know, that's fine if they want to do it, and they should have that power. But I objected, and particularly to that particular bill (it was carried by Maddy) that allowed counties to set these rates. Number one, I think that's wrong. And number two, I don't think, frankly, that when you go into the booking in the county jail, that's the county responsibility, not the City of Claremont. The guy may live in Claremont or [be] arrested in Claremont, that doesn't mean that they. . . . They are usually in violation of the state, or you know, very few city ordinances go to jail. So I thought that was wrong. They took that as a way to replace funds that the state was taking from the county. And I objected.

DOUGLASS: But also this business of the property tax collection.

LANCASTER: Assessment, yes.

DOUGLASS: I thought this was the actual collection of it.

LANCASTER: It could have been.

DOUGLASS: The bill says, "cost associated with property tax administration, for cities and other local agencies."

LANCASTER: Well, that would be everything all included.

DOUGLASS: And it says the estimated costs for cities and school districts is about \$2-300 million.

LANCASTER: Yes. The problem with that, again, is the state picks up the cost for the local schools. See, that's another part of the problem. The state is totally enmeshed with the financial of education.

DOUGLASS: Clearly, you can see the impact this would have on a city like Covina or Claremont. In other words, the city would have to pay them. So a cut would be taken out of the property taxes before the check got sent to the city.

LANCASTER: That's right.

DOUGLASS: Well, why did it die? I mean it died because it didn't get through by January 31st.

LANCASTER: Oh, I tried to repeal it. That's why it died.

DOUGLASS: No. I understand you were repealing that. Why? Did the counties overwhelmingly lobby against it?

LANCASTER: Well, yes. I got the Local Government Committee to put out the bill. The only portion of my repealer that dealt with the booking fees and the assessment problems. I left the counties' ability to put the business license fee in tact. The Local Government Committee passed it, and it died in Ways and Means.

DOUGLASS: When it got to the finances?

LANCASTER: Yes. Because they didn't want to make up that difference.

DOUGLASS: I remember this subject being addressed.

LANCASTER: And, subsequently, since then, as you know, the state, which I really don't like it, has moved further and further into the cities and county financial structure and taken away some revenues that were always traditionally [theirs]. They took the cigarette tax away. They took redevelopment increment increases away having to do with education. Various and sundry other things. Which is, by the way, creating a financial hardship on most cities.

DOUGLASS: You have spoken eloquently to the need to have a long-term thinking out of the source of

funding for each of the local government entities.

LANCASTER: All elements of government in California. That's right.

DOUGLASS: The state. All elements. What would be the vehicle for doing that? Would you think of a commission? How would you do that?

LANCASTER: It has reached a point now. At one time it would be fairly easy because now it was clearly well defined in most people's minds, traditionally what was where and what was there. But because of the fact now that, after all these few years, the last eight particularly, the big shift has been on. And it was used under the guise, by the way, that we bailed out the cities under Prop. 13, and we are just taking it back.

It would require an extensive blue-ribbon, in my opinion, commission. Yes.

DOUGLASS: Like a constitutional revision commission?

LANCASTER: Right. You know, it may even require a constitutional act. I would prefer it not to be, but that doesn't mean it wouldn't or shouldn't be. I mean that's just the way, the nature, of what we are doing.

DOUGLASS: Then you run into problems with the proposition that gives the school systems priority. It all gets really complicated.

LANCASTER: Well, [Prop.] 98.¹ Which a mistake again was made with 98.

DOUGLASS: So that's your baseline you always have to start from.

LANCASTER: That's right. You have a series of them. You have Prop. 13 and then we put out, I thought, a pretty good measure on Prop. 4 one year. It had to do with reimbursement-mandated-for-cost type thing. And then you've got now Prop. 98. But, you know, as far as education, K-12, it's reached the point in California that a huge majority of the financing for K-12 is coming out of the state. I don't think that will ever change. What I would like to see is, even though it's state money, that you untie as many strings as you can.

DOUGLASS: So the local government can . . .

LANCASTER: Make some judgments.

DOUGLASS: It's an immense problem.

¹ Proposition 98 (1988) established a minimum level of funding for kindergarten through junior college.

LANCASTER: Well, you still have everything centralized. That's the problem.

DOUGLASS: And how do you give local control back? And you don't get local control back until you give funding.

LANCASTER: The cities were doing all right until the latest raiding of their coffers. You know, the county is a creature of the state. Basically, that's their function. And they are creatures of the state and can only provide municipal service where there is not a municipality.

DOUGLASS: Plus they have been, at least, a pass-through for school monies.

LANCASTER: Certain categorical programs. Yes.

DOUGLASS: But, of course, it is a tremendous power base. So being on the board of supervisors is. . . .

LANCASTER: Well, that's not true in all counties.

DOUGLASS: No. But in Los Angeles or Orange Counties.

LANCASTER: In the major metropolitan counties. Yes.

DOUGLASS: I want to go now to some overall questions. I wanted to ask you, first of all, about "juice" committees. And I guess Finance and Insurance would be the closest you were to a juice committee. You know what the lore is about juice committees because you are obviously

dealing with issues which have high stakes. What is your view of the inherent logic of a problem that could develop because of what a committee's substantive area of responsibility is?

LANCASTER: Well, first of all, there are certain subjects --and, by the way, this will vary from year to year--subject matters that are very critical at the time and have a huge effect on something. And those committees that deal with those subject matters are in the limelight, so to speak, and those are the ones that--I don't like the word juice--but that's what you referred to, I guess, as a juice committee. By the way, that varies, as I say. A few years ago it was the oil industry that was having all kinds of problems. Then the next thing you know it's something else. The insurance industry for a long time.

So what's inherently. . . . There's nothing wrong as far as contributions. What needs to be done, in my opinion, is that the amount of money that they contribute should be limited. Not the free ability to legally give contributions.

DOUGLASS: To a member of the committee before which they
. . .

LANCASTER: Yes, right. But the amount of money that they
can give should be limited. And I have always
used the figure in my mind that \$1,000 is
reasonable, and that's it. And, also,
something else that needs to be done. Those
people that have the ability to raise excess
money, for whatever reason, it should be
against the law for them to give other
candidates money.

DOUGLASS: To be a pass-through.

LANCASTER: To be a pass-through. Right. And I think that
those are corrective measures that are needed.
I am not for public financing because I don't
think that will work. And the people do have a
right to participate. And, of course, you
can't eliminate the guy that has his own money.
What are you going to do? It's his right,
constitutionally, to spend all he wants to
spend. I think you limit the funds, the
amount, whatever figure that is. That could be
adjusted. And the elimination of pass-throughs
from one committee to another. And I think

we've got them now, but make sure the reporting laws are very strict and adhered to.

DOUGLASS: Over the years, you are on basically, let's call it, Finance and Insurance. Is there just by the nature of the topics you're handling a lot of lobbying that goes on? Did you have to spend a lot of time with people lobbying? Say, banks, credit unions, savings and loans.

LANCASTER: Yes. And, by the way, these are professionals. They use the word lobbyist. Particularly on the Finance and Insurance Committee, these people that came to you and chatted with you-- they may have a person representing them in Sacramento, you talk to them, true--but the people that gave you the information are their professional people. They know the subject matter. They really do. They are very, very knowledgeable on how their industry is affected.

And, by the way, that's a plus to a member of the legislature because we deal, as you know, in literally thousands of bills on many subjects, and it's impossible to have a complete and absolute understanding and knowledge of all the needs of the state. We

are geographically different and everything else.

DOUGLASS: And even with a competent staff?

LANCASTER: Well, that's right. So it's important that you accept input. It is up to the member to draw the "T" and "yes and noes" and "pros and cons." But it's important to encourage that type of activity. Technical, professional advice.

DOUGLASS: So you learned about things?

LANCASTER: Oh, I learned a lot from these people. Sure. My policy was open door, period. If there was a bill before any committee I served on, or before the legislature, for that matter, if somebody felt it was important for me to have the information how that affected one way or the other, good or bad, I tried everything I could to make sure I could see those people. Including citizens. And, you know, there is a lot of citizens involved in these activities that are not . . .

DOUGLASS: Just individual people?

LANCASTER: Yes. What comes to mind. Transportation. There was the whole question of restraints for children under forty pounds in the cars. Age five, or whatever. And a lot of individual

citizens came to me. I voted for the bill. They came to me because they wanted me to understand what was going on out there. I appreciated it.

DOUGLASS: You mean they were concerned about children being hurt in cars?

LANCASTER: Yes. In which they are flying missiles.

DOUGLASS: It is remarkable what a change there has been since the day when you and I were driving children around in cars, isn't it?

LANCASTER: Yes. In fact, I remember once I was stopped on the highway. [William Cortland] Cort [Lancaster], my oldest son, was standing between my wife and I in the seat. He was standing up between us.

DOUGLASS: In the front seat.

LANCASTER: The CHP [California Highway Patrol] officer pulled us over. He didn't write us up. I don't think he really meant to. He said, "I just stopped to let you know you ought to do something about that. That's kind of dangerous." Now what motivated him? Maybe he had a bad experience. Or maybe he just saw one, I don't know. It didn't bother me. I

thought it was a good idea. But that was pre-seatbelt days.

DOUGLASS: Do you have any thoughts about juice committees. I use the term to convey a notion.

LANCASTER: Well, that's what the common discussion is. But the whole question of contributions to candidates for political office is one that basically requires, in my opinion, those three things. Limitation, reporting procedures that are good, and no transfers.

DOUGLASS: So you think that might do a pretty good job of taking care of the situation in which the Sting was operated?

LANCASTER: Yes. There will always be inequity. Some people have the ability to attract and raise more money than other people. I don't know what to tell you.

DOUGLASS: Do you have a favorite committee that you served on while you were in the legislature.

LANCASTER: It would have to be Local Government. But I rate the Finance and Insurance Committee as Well, I guess that would be the committee that I learned the most from while I was in the legislature. The Local Government Committee, I was pretty knowledgeable on when I

went on it. And Transportation. I enjoyed Transportation, too.

DOUGLASS: You've seen this when you first went there. What happens when somebody with that much knowledge--what you acquired in what I think was fourteen years on that committee--leaves a committee? Did you see that have an impact on committees when you were first in the legislature?

LANCASTER: Well, first of all, you know, when I went to the legislature back in '72 there had been people in the legislature for over thirty years. And I served years ago on the Water Committee with Carley Porter, the co-author of the Burns-Porter Act.

DOUGLASS: That's right. I think you mentioned quite a bit about him.

LANCASTER: So I used to be able to absorb a lot from these guys. And the tragedy of term limitations--and I'll say so--is that knowledge is not going to exist.

DOUGLASS: No. Because nobody will be there long enough to understand.

LANCASTER: Which, unfortunately, puts the new members at the mercy of. . . .

DOUGLASS: There were obvious issues that have impact on elections, used to and still do. The death penalty would be one. That's a dynamite issue?

LANCASTER: Not as much as it used to be. The public support. . . . I don't know what the percentages are but the majority of the people in California do support the death penalty as a deterrent, as I do, too.

You know, I wrestle with this because I really consider the death penalty to be a deterrent. If I didn't think it was a deterrent, then I wouldn't be for it. The role of government is not to go out and just kill people. But I am convinced that the murder rate and things of this nature--the homicide rate, not the murder rate--has changed and gone up dramatically per 100,000 in California. Unless it is proven otherwise, I consider it a deterrent. But you don't prove it because we are not executing anybody.

DOUGLASS: I am really thinking about issues that have a direct or indirect impact on other elections.

LANCASTER: That has an indirect impact. Abortion, of course, is another one. That's the biggest.

DOUGLASS: That's out there all the time.

LANCASTER: Yes. And there's really no gray area in that issue. I can see both sides. I am pro-life. I can see both sides of the issue, but there is no gray area. There are three things I basically object to. The [U.S.] Supreme Court is out of line, frankly, because, constitutionally, that's a question for state law. But they have made it a law of the land by judicial ruling.

DOUGLASS: So you think each state should have its own law?

LANCASTER: Enforce it. The second thing is that you now have a situation which is totally separate from the Supreme Court's ruling, that is always the argument in California. You see, the California legislature never said you can't have an abortion. The argument in the California legislative branch has always been the public shouldn't pay for it. And that has passed the legislature. And the state supreme court has reversed it, which I think is wrong. And the right to privacy.

The second thing is--which I really object to--abortion is now being utilized as a form of birth control. And the ramifications of that

are terrible. Think about it. If you can choose now whether you want a female or male child. To me, that's. . . . In fact, there is no gray area. Either you are pro-life or you are pro-choice.

DOUGLASS: Do you think it is fair or wise to give these litmus tests to a candidate?

LANCASTER: No. I don't.

DOUGLASS: Which says, "Oh, they're against the death penalty," or "They're for it." Then they become branded. Or they are this or that.

LANCASTER: You know, the litmus test is applied by those people who really feel strongly that's their issue. I do not personally apply litmus tests. If a person is pro-choice, which I am not, and that is part of the overall picture of the person--and that would be only one consideration--it would not be a litmus test of yes, I would or would not vote for that person. Because I don't think you should.

DOUGLASS: You have probably seen that happen, haven't you?

LANCASTER: Oh, I have seen it. It's happened to me.

DOUGLASS: Did you ever feel you were really nailed on an issue like that?

LANCASTER: No. I really didn't. I tried to keep my point of view. People may not agree with that point of view I just expressed, for example, abortion, but at least they know where I am coming from. And, to me, it's logical.

DOUGLASS: It's this problem of all sides doing it-- whether it's gun control, abortion, whatever-- of saying that's the only thing that's important about what you're doing. Having people decide only on the one issue.

LANCASTER: You see, we are the victim of the media. You are now down to the ten-second sound bite. So people now, because of the impact of the media on campaigns, don't really have a chance, as you and I are doing, to discuss these kind of issues.

DOUGLASS: What do you do about that problem?

LANCASTER: Well, you try as best you can. I have always tried to sit down and discuss. I went to many groups that I knew were not favorable to me and my philosophy, just to talk to them. I never shied away from discussing any issue with anybody, any place.

DOUGLASS: So they met you as a person?

- LANCASTER: And got my point of view. Now, maybe they agree or don't agree, I don't know.
- DOUGLASS: This problem of the media is really getting critical because, as you say, this sound bite is what comes across, and the rest of it gets lost in most of the news reporting you see on television.
- LANCASTER: Yes. And I am very disappointed in that, too. I think the media is totally irresponsible, I'll say that, in my judgment, on the way they promote. . . . Now there are some programs-- "Nightline" and a few others--that I think do in depth. Three half-hours of things they put on news today. I don't even watch it hardly. And the newspapers. I spend an hour a day reading the paper. And that's the thing I miss, by the way, the most of being out of office is the information stream.
- DOUGLASS: Yes. Because you had your own access. What was the *Sacramento Bee* like in terms of its coverage?
- LANCASTER: Pretty good paper, from the standpoint of coverage of the state. It's a good newspaper. And I think the *L.A. Times* is a good newspaper.

DOUGLASS: And they do write in-depth articles about things.

LANCASTER: Yes. I'm disappointed in some local papers because they, frankly, don't. I don't expect if out of a weekly. A weekly, I expect them to do, as they do, most of them. The local. What's going on. I want to know what's going on. But your metropolitan dailies, really, most of them I am disappointed in.

[End Tape 8, Side B]

[Begin Tape 9, Side A]

DOUGLASS: Let's talk about your decision not to run in '92?

LANCASTER: What caused it?

DOUGLASS: Yes. Why did you decide not to run?

LANCASTER: Well, the basic reason was my wife's health.

DOUGLASS: When did she die?

LANCASTER: She died in '92, in May. At that time, you had to do your filing and all that stuff in January, or whatever it was. My wife had been very sick. In fact, I missed a lot of session time in Sacramento during the early part of '92. Then I decided that I was going to have to come home and take care of her. That's what it amounted to.

DOUGLASS: Then some of your health problems really developed after that?

LANCASTER: Evidently, I had them, but I wasn't thinking about them.

DOUGLASS: You weren't listening to your body?

LANCASTER: That's right. And, of course, in '93, '94, basically, I had serious problems with my health. But I am now on the road to recovery, as you can see.

DOUGLASS: You look wonderful. Well, are you tempted to jump in?

LANCASTER: Yes. Actually. As you know, my son is running [for the assembly]. It did go through my mind that maybe I'd run this time. But, in sitting down and thinking about it, I thought to myself, "No, if I run, I will get back in the situation. I'll probably neglect my program of recovery." And I don't want to do that.

DOUGLASS: So you would like to get involved in some other way?

LANCASTER: Well, I'm involved helping [Christopher] Chris [Lancaster].

DOUGLASS: Yes. But I meant beyond that.

LANCASTER: Yes. I will be involved in some way. I always have been. I don't know exactly what yet. See, I didn't want to make any commitment to do something until I personally felt I was physically able to do it. My trip to Sacramento was the first time I have been on a trip since '93, anyplace.

DOUGLASS: Really. So it was a good test run?

LANCASTER: Yes, it was. It went very well.

DOUGLASS: I know early on you threw out some things about this, but I wanted, just from your personal

experience. How has campaigning changed since your first election to the assembly in '72?

LANCASTER: Well, back in '72 the elections were more like the elections of the city council activity. You had a lot of volunteers. There are still volunteers. They did a lot of things, like sticking labels on envelopes. And sticking letters in envelopes and putting stamps on envelopes. And all of that. It was not as computerized as today. That is the basic difference. I can actually go to your precinct and tell you what your neighbors think, about how many fireplugs you've got in the area. So we have reached that state of the art. And so when you do that, you rely upon the professional more than the volunteer to do those kind of hands-on activities. The volunteer still, of course, is essential to lots of things, but you seem to lose that close contact with the volunteers.

DOUGLASS: Also, it's more expensive, isn't it?

LANCASTER: Oh, yes. Costs have risen tremendously. I think that's true. But so has everything else.

DOUGLASS: And the costs of advertising in newspapers?

LANCASTER: Newspaper advertising is interesting. I think the coming thing in advertising is going to be cable, locally. Newspaper advertising is not as effective as it used to be. There is only one way. When you talk about an assembly district like this one, the 59th, which probably has pretty close to 350,000 people in it, there is only one effective way to reach people; and that is through the mailbox. So the other ones are things to do. And what's lost--and I think it is a terrible loss--is the face-to-face. Which I think you are seeing a reflection of, very honestly, in the attitude people have towards their government. They don't know their representative.

DOUGLASS: It is faceless?

LANCASTER: Yes. I, frankly, know a lot of people, Enid. But I come from a different school. And I am not too sure that people now know who their representative is. I think that's a loss. I really do.

DOUGLASS: Did you find that your pool of volunteers dwindled as more people were working, like more women were holding down jobs?

LANCASTER: No, not necessarily. The pool of volunteers for the role that they were playing as it progressed did not diminish for the Republicans. Not from this area. I am sure that's true. I have heard of cases--we never did it here--of paid volunteers, paid precinct workers, and all that stuff. So it must be.

DOUGLASS: Did you ever. . . . I guess you wouldn't. I am thinking of the people who are paid to go around and get people to sign.

LANCASTER: No, I didn't do that. Personally, I didn't do that. I think some of it must have gone on in this [Assemblyman Paul] Horcher thing. I don't know. When you reach the point of trying to get 20,000 signatures.

DOUGLASS: Right. It isn't a volunteer effort.

LANCASTER: That's right.

DOUGLASS: How about the changes in the legislature? I know that you, early on, talked about the difference of the time when you were first there when a chairman would be the only one, maybe, at a hearing because of the conflict of where you had to be, either on the floor or in a meeting.

LANCASTER: Yes. Some of the changes in the legislature have been good. I think the changes in the legislature that created more of an information stream to the members is very important. We did a lot of that. When I first went up there, all you had was the bill. And no analysis, nothing. So that's changed, and I think that's good. You have more information and through the computerized process. So that's good. And more analysis. You've seen the changes in just the information you get.

DOUGLASS: Yes, in the technical resources.

LANCASTER: That's right, and so that's good. The bad part is that the legislature, because of this situation where you don't know your representative and other things, has lost its ability to communicate with the general public, I think. We have tried a couple of things, which I support. One is televising, which I really do support. CALSPAN, they call it, and that kind of thing. That's important. And because of the initiative process that's been imposed upon the legislature, the legislative effectiveness is diminished tremendously. Because of [Prop.] 98s and various other things

the legislative prerogatives is down to about 8 percent of the total funds.

DOUGLASS: Not that many choices to make.

LANCASTER: Not any more. That I think it is tragic because representative government, in my judgment, it requires a legislative ability to function as to serve the public need. That means they have got to have their hands untied to do that. And their hands are tied in California. Too much so.

DOUGLASS: What about the staffing situation with you, as an assemblyman?

LANCASTER: I think that has grown because of the need to be representing more people. California now is over 30 million people in the state, but you still have the same number of assemblymen, eighty, as you did twenty years ago. So staffing has had to increase because of the. And, also, the technological ability of the staff has improved too, as electronic stuff has come forth.

DOUGLASS: So, in other words, you would not be for cutting staff? Of course, you have to think about your staff in Sacramento and your staff in the district.

LANCASTER: To cut off the ability of a member--I'm not talking about something unreasonable--to make a judgment decision by reducing their staff, to me, makes no sense. I am not saying you ought to go wild. I think maybe some members have, and you ought to control. By that same token, you've got to give the flexibility.

Now I personally concentrated. . . . I had a situation develop. I know my district staff was very, very responsive to people in the area. But, see, they only handled casework and local problems. All legislative matter was handled by my Sacramento staff.

DOUGLASS: So the casework really involved state agencies?

LANCASTER: People who had problems.

DOUGLASS: But sometimes did that flip into a federal entanglement?

LANCASTER: No. It could, but my policy was that if it was a federal circumstance, refer it. Don't take over things you can't handle. If it was a City of Claremont's responsibility, refer it.

DOUGLASS: So you had some guidelines?

LANCASTER: Absolutely. I didn't let them wander around. I also kept politics out of my district offices.

DOUGLASS: You separated the campaign?

LANCASTER: Absolutely. I advise that to anybody who is in office.

DOUGLASS: How many staffers did you have in the very beginning? Do you recall?

LANCASTER: Yes. I had two girls in Sacramento and two people here.

DOUGLASS: And how many did you have when you went out of office?

LANCASTER: I had three people here. I actually needed four, but I had to let one go because of the passage of the proposition which cut off on finance. And I had three people in Sacramento, plus then I had a committee counsel. But that was the committee.

DOUGLASS: As a committee?

LANCASTER: Yes.

DOUGLASS: Were there some people who were with you for a long time?

LANCASTER: Kathy Gill, who was my lead secretary in Sacramento, was with me all the time I was in office. Bill Nunis, who was my administrative assistant in Sacramento and literally the chief of staff of both offices was with me for

eighteen years. Marcia Murphy was with me about seven or eight years.

And down here, Marilyn Shirley, from Claremont, was with me for fifteen years. Gemma Watson, who was the other gal, did the case work, she was fairly new. She was with me about five years. And Arlo Truax was my administrative assistant down here for eight or nine years.

DOUGLASS: So you had a lot of continuity?

LANCASTER: Oh, yes. In fact, I have had secretaries retire, three or four of them. Marguerite Johnson retired. Marilyn Tice, do you know her, retired?

DOUGLASS: No, I don't think so.

LANCASTER: And I had three secretaries in Sacramento retire.

DOUGLASS: So I suppose that is really important, to have that continuity.

LANCASTER: Absolutely.

DOUGLASS: Staff knowing your district.

LANCASTER: Oh, yes.

DOUGLASS: What are your prognostications about is going to eventually happen with the assembly speakership, as you observe this?

- LANCASTER: Eventually, there will be a Republican speaker. Now it may be Jim Brulte, I don't know, but the scenario was there to bring about a majority of forty-one.
- DOUGLASS: Even given all the special elections that are going on in both directions? Like [Assemblyman Paul] Horcher could be recalled.
- LANCASTER: And will be recalled.
- DOUGLASS: There are a couple of people running for seats that have opened. There is a Republican or two.
- LANCASTER: Ross Johnson or [Assemblywoman] Doris Allen may be leaving the assembly to go to the state senate.
- DOUGLASS: You think when it all shakes down, there will be a Republican majority?
- LANCASTER: I think so.
- DOUGLASS: But do you think that the defining of the speakership's role will have changed in the process?
- LANCASTER: Considerably. I don't like this word, but it has been called the "imperial" speakership, and I don't like that word. A speaker's power will be diffused, as it already has, more to the

Rules Committee as an administrative body. And I like that.

DOUGLASS: So, in a crazy way, would you say that maybe this was a way--I know as a Republican you weren't happy with the whole Willie Brown thing--but maybe in a way it caused some reality to come into effect? Just the things he had to settle for.

LANCASTER: Everything has its pluses and minuses. And the plus part is very easy. It could be a change in how the assembly conducts its business. That's correct.

DOUGLASS: A change that might have been harder to do in another way.

LANCASTER: Maybe so. You know, we have to look at the bright side of all this.

DOUGLASS: What do you think Willie Brown will do?

LANCASTER: Well, the rumor is now that he wants to run for mayor of San Francisco. I don't know.

DOUGLASS: He will move because he has to go out.

LANCASTER: Yes. And the rumor is he is going to run for the state senate. Because [State Senator] Milton Marks has to go out too. The senator from San Francisco.

DOUGLASS: So the incredible set of musical chairs going on.

LANCASTER: Yes. But you are not going to lose as many faces as you think. [Laughter]

DOUGLASS: No. You'll see the same faces.

LANCASTER: They are going to shift around.

DOUGLASS: Well, as we close this down, do you have any things you would like to say?

LANCASTER: First of all, let me say this, Enid, I am very honored to have this oral history done by the Claremont Graduate School, and I am very pleased with the interviews.

DOUGLASS: I was not thinking about that sort of thing. I wondered if there is some compelling message about the legislature that you . . .

LANCASTER: I think we covered it pretty well. You know, I do have, as you have come to realize, I think, I do have some very solid and strong convictions on what needs to be done. If there is any consistency in my career in Sacramento, it was my firm belief, stronger than ever before, in the need to maintain local responsibility. It is just essential.

DOUGLASS: Toward the last five years or so you were there, how many people were coming out of local

government to the assembly, for instance? Was that diminishing?

LANCASTER: Yes. It was diminishing. And what's happened. There was a period of time where, frankly, too many members of the legislature were coming from the governmental sector. Not governmental elected office, but from the staffing operation.

DOUGLASS: Who had never really dealt with an angry voter?

LANCASTER: That's right.

DOUGLASS: That has certainly been a criticism.

LANCASTER: And it's a valid criticism, in my opinion. Now I think it may change now.

DOUGLASS: I remember you said you think the suburbs are going to . . .

LANCASTER: Well, yes. If there is any plus to term limitations--if there is any plus to it, and, as you know I am not a fan of term limitations --the plus is that the person in office will change faster with the change in the representation in the state. In other words, a lot of people are elected because they did a good job. They have been there twenty years because they are there. But they would not get elected to that district if it wasn't them

because it's changed. And so the suburbs will start receiving more and more. So that is changing.

DOUGLASS: And so this may mean you'll get more people out of city councils or whatever?

LANCASTER: I hope so. I hope so. But there is a real need. We didn't talk about it too much, but there is a real need to change our registration laws and resident requirement laws.

DOUGLASS: What would you do that would improve it?

LANCASTER: First of all, there are two or three things that need to be done. One, I would eliminate the registration by card, and I would go back to face-to-face registration. I think that is critical. The second thing I would do was require by law a purge after every general election of those who did not vote. And the third thing I would do is I would tighten up on the absentee ballot requirements.

DOUGLASS: That sort of took on a life of its own, didn't it?

LANCASTER: Well, there are two elections now, Enid. The first election is the absentee ballot, and the second election is the regular election. When you are running for office today, you have to

zero in on that absentee ballot time and then you have to zero in on the other. You will see that, by the way.

DOUGLASS: Isn't that a result, partly, of the change of use in the absentee ballot. The custom or tradition was you went to the polling place and voted. But, increasingly, I have been aware of people, who, for convenience or whatever other reason, don't.

LANCASTER: Aside from the need for the absentee.

DOUGLASS: They think they are simplifying things. They don't know that that's such an increased burden, for instance, just on the clerical help.

LANCASTER: It's also an increased burden on the campaign. It raises the cost of campaigning.

DOUGLASS: People who are pretty astute politically seem to not make that connection.

LANCASTER: Under California law, you can have a permanent absentee ballot situation.

DOUGLASS: Because you are disabled?

LANCASTER: No.

DOUGLASS: Just because it's inconvenient?

LANCASTER: And you just sign up for a permanent. You know, it ought to be, if you are disabled,

sick, out of town. Some basic reason why you're not going to be there on election day. See, you have really two elections now.

DOUGLASS: And they have made the difference in . . .

LANCASTER: All say they have. Deukmejian was elected governor with absentee ballots.

DOUGLASS: Right. Well, it's always a cliff hanger, and that means you don't have the decision about who won an election right away.

LANCASTER: No. Well, I'll tell you something else. The absentee ballot situation kind of reminds me of when I went to the legislature. Because they had what they called proxy voting. You'd sit there and you hear all the testimony and make up your mind, and vote "aye" on the bill for the guy. The next thing you know the chairman says, "Well, we've got all these "noes" over here. They had already voted. [Laughter]

DOUGLASS: Yes. So what was that all about?

LANCASTER: That's right.

DOUGLASS: Is the fact that they have not purged the rolls because they don't have a system.

LANCASTER: It's easy to do. If you don't vote, you take it off.

DOUGLASS: That used to be. So now there isn't any systematic purging, is that the problem?

LANCASTER: Basically.

DOUGLASS: Isn't that the responsibility of the county clerk?

LANCASTER: It's the responsibility of state law. And if they eliminate the purge, which was eliminated unfortunately by the legislature, the county has no way of really doing it. They do spots.

DOUGLASS: Well, any local person can walk up to a list outside of the voting booths and see a list that you know is outdated.

LANCASTER: Not there any more. In fact, one of the reasons that's expensive is, I'm guessing now, at least 10 percent of the rolls are not around any more. Or moved or something. So, consequently, that's an expense now being borne by the campaign.

DOUGLASS: Could computerization be an answer? Would that help that?

LANCASTER: Only unless you purged. If you missed the general election, that's the only way you can do it.

DOUGLASS: And then you would have to reregister.

LANCASTER: Right.

DOUGLASS: If you could do it in your town or at the city hall, or whatever.

LANCASTER: Even if the registration by card, which I think could create fraudulent circumstances, was maintained, I still think the purge should go on.

DOUGLASS: That's one of things that, I suppose, Bill Jones is going to be looking at.

LANCASTER: I hope so. And that's important. So there is something he needs to change.

DOUGLASS: I am sure there is lots of room for improvement.

LANCASTER: Always, always. [Laughter]

DOUGLASS: Well, that's for other generations to think about, too. Thanks very much. It's been a pleasure.

[End Tape 9, Side A]

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