

California State Archives  
State Government Oral History Program

Oral History Interview

with

**PAUL J. LUNARDI**

California State Assemblyman, 1958 - 1963  
California State Senator, 1963 - 1966  
Legislative Representative,  
California Wine Institute, 1966 - 1988

March 10, 11, 24, 30, and April 7, 1989  
Roseville and Sacramento, California

By Donald B. Seney  
Oral History Program  
Center for California Studies  
California State University, Sacramento

## RESTRICTIONS ON THIS INTERVIEW

None.

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## PREFACE

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

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

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

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



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

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University of California, Los Angeles

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

John F. Burns  
State Archivist

July 27, 1988

This interview is printed on acid-free paper.

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## INTERVIEW HISTORY

### Interviewer/Editor:

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Professor, Department of Government, California State  
University, Sacramento  
B.A., San Jose State College [Political Science]  
M.A., Ph.D., University of Washington, Seattle  
[Political Science]

### Interview Time and Place:

March 10, 1989  
Paul J. Lunardi's home, Roseville, California  
Session of one and one-half hours

March 11, 1989  
Paul J. Lunardi's home, Roseville, California  
Session of one hour

March 24, 1989  
Paul J. Lunardi's office, 770 L Street, Sacramento,  
California  
Morning session: one and one-half hours  
Afternoon session: two hours

March 30, 1989  
Paul J. Lunardi's office, 770 L Street, Sacramento,  
California  
Session of one and one-half hours

April 7, 1989  
Paul J. Lunardi's home, Roseville, California  
Session of one-half hour

### Editing:

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

Because of a mistake in recording procedures, Tape 2 was recorded again on April 7, 1989, Session 5. For purposes of clarity Session 5 is placed in the transcript between Sessions 1 and 2.

Mr. Lunardi reviewed a copy of the edited transcript and returned the transcript to the California State University, Sacramento, Oral History Program with only minor corrections.

### Papers

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

### Tapes and Interview Records

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

## BIOGRAPHICAL SUMMARY

Paul J. Lunardi was born September 30, 1921, in Roseville, California. Mr. Lunardi attended public school, graduating from Roseville High School. He briefly attended the Western School of Business in Sacramento, California.

Mr. Lunardi worked as a laborer and boilermaker helper at the Southern Pacific Railroad yards in Roseville, California, in 1941 and 1942. Between October 22, 1942 and February 13, 1946, Mr. Lunardi served in the United States Coast Guard in the Pacific theater; he left the Coast Guard with the rank of third class petty officer. After returning to Roseville on the completion of his military service, he was once again briefly employed as a boilermaker helper in the Southern Pacific Railroad yard. He then, with a partner, operated two Texaco distributorships in Roseville between 1946 and 1958. During this same period he sold insurance.

Paul J. Lunardi began his elected political career in 1950 when he was elected to the Roseville City Council. He served on the city council from 1950 to 1958. While on the city council, he served as mayor from 1954 to 1956 and again in 1958. When he was elected mayor in 1954, he was the youngest person ever elected to that office in Roseville. In 1956 he ran unsuccessfully for the California State Assembly in the Sixth Assembly District. Two years later, in 1958, he ran again and this time was elected. He was reelected in 1960 and 1962. In 1963 he was elected to an unexpired term in the California State Senate. He was elected to a full state senate term in 1964. In October 1966, he resigned from the State Senate to become legislative representative of the California Wine Institute. He held that position until his retirement in December, 1988. After a brief period of retirement, he resumed his career with the firm of SJR, Jackson, Barish and Associates where he is still employed.

During his legislative career Mr. Lunardi directed his attention almost exclusively to matters pertaining to his district. Among his legislative accomplishments was the establishment of two state parks, one at the ghost town at Bodie in Mono County and the other at the gold rush era Malakoff Diggin's. Perhaps his most important contribution is an act that bears another legislator's name, the

Williamson Act. Mr. Lunardi originated the idea and wrote the legislation and constitutional amendments which created this important act maintaining open space and farm land in California. He was also able to convince the legislature to pass and Governor Edmund G. Brown, Sr. to sign an exemption to the Buy-America Act that benefited water agencies in his district.

[Session 1, March 10, 1989]

[Begin Tape 1, Side A]

SENEY: My name is Donald Seney; I'm at the home of Mr. Paul Lunardi. Good evening, Mr. Lunardi.

LUNARDI: Good evening, Mr. Seney.

SENEY: I want to start this interview by talking about your family background and your start in politics. First of all, I want you to tell me something about your parents, where they came from, how they got to California, how they earned their living.

LUNARDI: Both my mother and father were born in Italy. My dad was born right next door to where my mother was born, basically, so it was all within this little town of Arena in Tuscany in the northern part of Italy, probably around six miles from the Leaning Tower of Pisa, in that area. They were both born in 1894 . . .

SENEY: 1894?

LUNARDI: 1894, they were born in 1894. Dad was born in March and my mother was born in September. They

LUNARDI: worked in the fields in that area. On my father's side I don't think they owned property, but on my mother's side, her father did own some property, so owning property did give some status to that family, especially during that period. And they were both married in Italy and it was a little province called Arena; I think it's A-r-e-n-a. My father made a contact with somebody that I no longer know that got him interested in coming to the United States. Because in those days, [in] Italy [it] was quite significant to [be] poor and [or] rich; there was no in between or second class citizen. They talked about the United States and this was the place to come because you can make money, live freely and do what you wanted to and become rich, which wasn't always true.

My father was in contact with a family that they called Littles; they called them the Littles in Montana. They were Italian; I don't know how they got the name Little unless they changed their name at that time. I can't recall, and nobody in the family seems to know--I tried to check--how my father received his funds or who loaned him the money. I know they didn't have any money to come

LUNARDI: here on their own. And he had a job waiting for him and he got into the United States through New York--like everybody else--about 1903, when he was about nineteen years old. He went to Dillon, Montana. He worked on a section gang there--he worked there for quite a few years--up until my mother showed up, I think around 1907. He called for her after he'd made some money and paid off his debt; then he'd called for her and she came over in 1907. My oldest brother, Dominic, was born in Dillon, Montana. Then after he was born, my sister Yolanda was born. And Yolanda I never knew; she died at four years old. My mother had made a trip to Italy and she spent two years over there. I don't remember why she went to Italy, but it had something to do with illness in the family, and I guess my father said, "Why don't you go over and see what you can do." Well, when she went over, she had my brother Dominic and Yolanda. While she was over there, she was not aware that she was pregnant. So my sister--who lives here in Roseville today--was born in Italy; she was a foreigner. So, she went over with two children and came back with two children. And Yolanda died

at four years old. She had fallen down and she got blood poisoning of the knee. Of course, now just a shot of penicillin would have cured it. But she never came out of that very serious problem. The blood poison got to her system and she died over there, was buried over there. So, my sister came over here and took her citizenship papers as a young girl because she went to school here, she never. . . .

SENEY: And her name is?

LUNARDI: Grace. Of course she doesn't even remember Italy at all, that she was ever over there. So, Grace was born in Italy. When they came back to Montana again, my mother told me for some reason, she came in through San Francisco. They docked in San Francisco and that's where my dad met her. My dad, when she was back in Italy, had moved from Montana to Tonopah and worked on a railroad in Tonopah. Then from Tonopah he went to Roseville to work and that's why my mother came to San Francisco. He went to San Francisco and picked her up. Within that two years that's what he'd done, traveled back and forth. In the meantime, some of his brothers had come over, and they were

going from place to place to work, and they followed the railroads. Of course Tonopah at that time was a big railroad center also.

So, then they settled here in Roseville and this is where my brother Richard was born and I was born, here in Roseville. So that was the sequence of the travels. They never moved from Roseville from that time, and my father worked for the Southern Pacific [Railroad Company] the first time--he was a car inspector--and then he left there. It was very interesting; the reason he left the Southern Pacific Company was because they wouldn't let him attend a friend's funeral because they needed him at the shops, so he quit. And he went to work for the Pacific Fruit Express, which is still in operation here in Roseville and that's where he worked until he retired.

SENEY: What did he do there?

LUNARDI: He was a carman; he built box cars, repaired box cars. That's what he did up until the time he retired. So, that's the sequence of events of the family.

SENEY: And your mother was a housewife and mother?

LUNARDI: She never worked. Well, she worked and picked grapes for extra money. We used to have quite a few vineyards around Roseville in those days. Because they couldn't make wine, they were shipping grapes; they'd ship grapes to New York. I think Roseville was one of the first places in California to ship grapes to New York to sell to people who wanted to make wine for their own use.

SENEY: During prohibition?

LUNARDI: During prohibition. In fact it was the Garbolino family who are still living here--the heirs are still living here--that actually started shipping grapes to the east, and they had quite a market in New York during that era.

SENEY: And you went to school here in Roseville?

LUNARDI: Went to school here in Roseville, public schools here in Roseville. I went to business college in Sacramento. I was interested in business law and things like that, so I attended that for awhile. And then I worked for the railroads. Then the war broke out and I spent four years--well three and three-quarter years--in the United States Coast Guard, in the amphibious forces in Guadalcanal and in the Coral Sea.

SENEY: Did you see combat there?

LUNARDI: Yes. We were in the invasion of Bougainville there in Guadalcanal and we had a few scares once in a while, but I was pretty fortunate; luckily I didn't become a hero, nor a marker.

SENEY: Did that have much influence on you subsequently? Your military experience?

LUNARDI: Well, I don't know. You know, I always said it was a million dollars worth of experience, but I wouldn't want to spend another penny to see it again. I had never been away from home. It was my first exposure to doing things on my own. I had nobody there to say you had to do this or you had to do that, except for the military. I got away from the family, which I missed, because we were a very close-knit family. I got along fine; I never had problems in the military. I never was cited for any wrongdoing. I was never late when I went on furlough or went on liberty. So, I was pretty fortunate, [un]like some who got in trouble, had to go to the brig and things like that; there was a lot of those people. Or got into small problems. I was lucky; I didn't get into those things. I learned to live with a lot

of different people. Some I liked and some I didn't. It was scary at times, but it was a good experience. I think it taught me discipline, if I didn't have it before.

My folks were very strong in making sure you did what was right. They made sure that you worked or you didn't eat or you didn't play. We took care of the yard, we cut the lawn, we fed the rabbits. Those were chores we did and the things we had to do. We were restricted if we didn't do that. So, going into the service was not so bad for me because I had that regimental, nice bringing up, which I've always appreciated. It wasn't a discipline at home with my mother and dad that they held a broom over your head. It was just something that you understood; everybody had their chores, and everybody did them. If you didn't, well then, something was taken away from you, like they do today in some instances, where they penalize you.

SENEY: Let's look back. How would you evaluate the influence of your parents and your education and your other early experiences? What stands out as important to you?

LUNARDI: Well, you know, my parents were very strong in having respect for elders, having respect for other people, and having respect for the education program which they were denied most of their lives. When I first went to school, I couldn't speak good English, because the Italian language was spoken quite fluently at all times. So I only picked up English on the streets as I ran around with the kids. So they kept me back half-a-year when I was in school. I didn't pay much attention to that; at that age you don't care much, you know. We didn't have kindergarten in those days. You went to first grade when you were five. I remember when the recess bell rang, I came home. I thought it was all over with and that this was great. My mother brought me all the way back because it was just up the street here, three blocks. It's no longer a school, but it's still sitting there.

My folks were very strong that I paid attention to school. My father used to say to me, "If you're in trouble in school, you'll be in more trouble when you come home." That was really a strong feeling of my family, that you don't fool

LUNARDI: around in school. For two people who had never been to school. . . . Except my dad had gone to school in Italy, only to the third grade. My mother had never gone to school, never seen the inside of a school. That's quite interesting. I think people today allow their children to run around without that discipline. It was a very strong feeling, concerning my two parents, that this was what you do when you go to school and you don't do anything else. They weren't able to sit down and help me with my studies as I got into the higher grades because they didn't have that knowledge. My older brother, who was thirteen years older than me, was the one who would say, "This is what you have to study." He made sure that I studied when I went to school. That was helpful. I did have that help. My folks believed in honest work and an honest dollar to be earned. That's where you should get your money and no place else. My mother's saying was, "Don't gamble. Once you have money in your pocket, you've already won it, so don't sacrifice what you have." I thought that was a pretty good. . . . Not that I didn't do a little gambling in my life.

I did, but I was never a heavy gambler. Now I haven't gambled for years.

They were a very clean family, immaculate family. They believed in cleanliness. My mother was very clean. She used to iron my socks. I couldn't understand that, but she used to iron my socks. I came home from the service, went into my room and opened up the dresser drawer, and everything was nice and ironed, and ready for me to use. This was the type of family I grew up with. I think it had a great influence on the way I feel today, about this country, the way I feel about the family ties, the home life. I'm a homebody. I like the home. I love a home. That's the influence I had.

SENEY: When you returned from the service, what did you do then?

LUNARDI: Well, when I came back from the service, I went back to the railroads at the time. That was the only thing really that you could make some money at. It was a matter of, where could you make the most money? When I got back to the railroad, a very interesting thing happened in my life. I was eager to go back to work when I got out of the

LUNARDI: service. They used to have what they called fifty-two/fifty-two. When you got out of the service you got fifty-two dollars for a week for fifty-two weeks to help you along as you came back out of the war. I didn't collect that because I arrived home from the service in Roseville on February 13, 1946 and I went to work February 14, 1946, the next day. Everybody thought I was crazy. I just didn't want to lay around and talk about the war, sit at the bars and drink and talk about it like most of them did. Or a few of them did, not most of them, but I'd say a few did. So I went right to work, and I never collected that fifty-two/fifty-two. I went back to the railroads, and the job was waiting for me. After I was there for twenty days, I realized that wasn't what I wanted to do. I didn't want to work for the railroads. I didn't want to be in that area of operation. I had in mind to do something else. I wanted to go into business or go back to school, or something like that. An opportunity sprung to go into business with a friend I had known all my life; he wanted me to come into business with him. I went into the service

station business which was a Texaco distributor business. We built it up as one of the best businesses in town and bought another one. We had two of them that we operated. Then I sold insurance on the side with Connecticut Mutual Life [Insurance Company].

SENEY: Were you able to make a living doing all these things?

LUNARDI: Not really. Not really. I mean we were kind of scratching around. I can remember when I first went into the service station business, I didn't have an automobile. I went to work with a bicycle. It sounds like I was born in the 1800s, but this is true. And then, finally, I got an old clunker of a car. I didn't get married until I was around twenty-seven. I didn't jump into marriage. I was very, very frugal about things, "Here I am, I'm in a business and I hope it operates." I bought a home before I was married, over on the other side of Roseville. I owned this home. Well, I owned it, and the bank owned it, Bank of America owned it. Nobody could understand. "Why'd you buy a home? You're not married or anything." I just bought a home. I

thought, "Well, I'll buy a home; someday I'm going to get married." So I rented it. It was kind of a nice home, I thought. And it was a good price. So I got it under the GI bill. When I got married, we moved into it. That's where my two girls were born, over on Manzanita Street. I lived there for about two or three years; I guess it was about three years. Then I rented at home for a year. My mother wasn't feeling too good and my dad wanted to sell this property. He said, "You either take it--I've offered it to all the kids, nobody wants it--or I'm going to sell it." As my mother wasn't feeling too good, I asked my first wife if she thought it was all right. She says, "Fine." So we built this house next door. My mother passed away in 1957 from cancer. This is how this house was built, because of that reason and being close to the family.

SENEY: You're a very unusual person to have lived virtually in the same house almost all your life.

LUNARDI: That's right, outside of that three years in the military service I'm still here. I've been here thirty-some years. Well, in 1955 I moved into this place and I've been here ever since. Little

by little I've built it up and done things with it, and it's been kind of satisfying. So when you talk to me about moving, it's awful difficult for me to think about moving. Yet I'm at an age now where it's getting a little bit more difficult to take care of this yard. You wonder why this happens to, you know, somebody that really enjoys it. Now if my health holds up, that's fine; but if my health doesn't hold up, I'll probably someday have to sell this place and move into something smaller. That's part of longevity that you pay for. Like they say, longevity is a privilege but sometimes, though, also painful.

SENEY: Tell me about your first wife. Where did you meet her?

LUNARDI: My first wife was from Nebraska. I was still in the service at the time. We happened to be in San Francisco and I was back from the war zone. It was Washington's Birthday and they were having dances in Roseville. I happened to be at home at that time, and I went to this dance. I met her there, and we got acquainted and started to see each other. I went away again. I went all the way to Panama and all the around to the east coast

and came back and I saw her again. We went together for about four or five years before we ever got married; we went together for a long time, and then we were finally married here in Roseville. We moved into this house that I told you about that I'd already purchased and started our family there. And then she passed away when she was forty-five years old; I put that in the records.

SENEY: I want to ask you about your political career. You started your political career here in Roseville, in the city council in 1950. What possessed you to run for the city council?

LUNARDI: Well, it was absolutely not an original idea of mine. I was asked to run for the city council when I was twenty-seven years old, the first time. I told those that were interested, that were running around with me, that used to come to my business and talk to me. I used to express certain things that I didn't like that were going on. I guess some of things I was saying must have interested some people, so they decided they were going to run me for city council. I told them that I would not do that. In those days you

LUNARDI: didn't elect twenty-seven year olds to any city council; they were usually fifty, sixty or seventy years old. In those days fifty years old was pretty young, I guess. So I refused to run at that time. Then two years later they came to see me, and I said, "Well fine, if that's what you want, I'll run, but you know nobody is going to elect me. I'll put out a few posters, but I'm not going to spend a lot of money on this." So I ran. There were thirteen in the race at that time. [William] Bill Finger [Jr.] got the highest vote and I got the second highest vote. There was three openings. One of the incumbents got elected, but we threw two incumbents out. I really didn't exert myself to get elected; I don't know if I even made very many appearances.

When I got on the city council, I really wasn't sure that's where I belonged. I had reservations about being on the council; I didn't think I had the qualifications; I felt that I was lacking in understanding the issues. There was many things that perplexed me at that time. Then, all of a sudden, I started getting interested in the hospital construction here in Roseville. I

didn't originate it. They talked about a hospital; they passed a \$250,000 bond. The hospital wasn't constructed yet. They had hired an architect and they decided that they were going to build this hospital that was going to exceed the cost and . . .

SENEY: . . . Exceed the bond issue? . . .

LUNARDI: . . . Yeah, exceed the bond issue. They couldn't build it for less. So we started to make some inquiries. Bill Finger and I actually were the ones that were working together on this. I started getting into some areas finding out why it cost \$250,000. In those days that was a lot of money. Checking things out and looking and talking to more people about the architect and where he was coming from. He was so inflexible as to answering questions, "What do you mean you can't comply with the plans?" Every time we turned around, he was always throwing obstacles in the way. So we started checking him out a little closer. We found out that he had never really constructed a hospital before in his life. He had no experience as an architect in that field. So we discussed this with the council. The council

LUNARDI: was very negative. We always had three votes against us, but they did comply with an expenditure of \$3,500 to hire a hospital consultant to check it out. I remember his last name was [Walter] Metzger.<sup>1</sup> When he came back, his report was very negative where this architect was concerned. He indicated that the hospital was constructed and planned in such a way that it would be difficult to operate as far as nurses and doctors working, with the way the operating room was set up and the facilities were put together. He brought all of these factors out.

So this made me even more interested and I spent a lot of hours--at two o'clock in the morning I'd be working--and then I'd work to make a living during the daytime. We spent a lot of hours; we didn't have a city manager form of government at that time, and we did it all. We worked 'til two o'clock in the morning putting a budget together. Then finally I decided to go down and check with an architect that I knew by the name of [Erling] Olauson. I threw these plans in front of him; he had built hospitals before.

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<sup>1</sup>Unable to verify.

LUNARDI: We were talking about a twenty-six bed hospital, basically, what we were doing. He said, "Let me look at these plans; I'll give them back to you." So Olassen indicated that he could put together a twenty-six bed hospital for \$158,000; that it wasn't going to have marble walls and all of those things, but it was going to be an adequate hospital for that amount. So consequently, I brought all these figures to the council. With the support of Bill Finger I made this proposal. One of the councilmen said to me, "You must be one of the smartest men in the world to think that you can build and guarantee a hospital for \$158,000." He said, "We'll proceed on that basis, but we don't think that you can do this; you're wrong." "Well," I said, "Just give me the opportunity; we'll bring Mr. Olassen here and we'll lay the plans out." And I said, "Under those circumstances you understand that were going to have to break the contract with the other architect and pay him; we're going to have pay him off for the services he rendered," which we did. Mr. Olassen came before the council and, to make a long story short, it was negotiated. We broke

ground and built the hospital and started the nucleus, and now it's over 200 rooms. It's developed into quite a hospital. We were losing people between here and Sacramento. We got support of the nurses and doctors that were living around Roseville that said, "You know, this is what we want and need now." Some of the members of the council said, "You know, you got these rooms and I don't know about this and that." They were making kind of excuses to combat it, and the nurses would get up and say, "Mr. so and so, when patients,"--I always remember this quote by this nurse--"When patients start to notice the dirt on the floor and the colors of the walls, they're ready to go home. What are you talking about?" And so we won it, and that's what started me in politics.

Then I got involved in the fire engines. Some of the those things were being done in a fashion I wasn't agreeable on, and we cleaned that mess up on fire engines. I don't want to get into all those details but. . . .

SENEY: I guess it just let you know you could do these things; it whetted your appetite.

LUNARDI: It just really stimulated me. I was being successful, and I really started to grab a hold of things. There were a lot of things to do. Street lighting was bad in Roseville; I got into the street lighting program, got people involved in it, formed committees, made the citizens participate and . . .

SENEY: You got rid of the parking meters.

LUNARDI: Got rid of the parking meters, that's right. They still haven't put them in since I took them out back in the 1950s. That was quite a challenge. Everybody, Chamber of Commerce and the Police Department were opposed to me, saying that that. . .

[End Tape 1, Side A]

[Begin Tape 1, Side B]

SENEY: Besides the getting into parking meters, there were a number of things that you did. You were in the city council and then as mayor of Roseville. And I want to quote here from the Sacramento Bee, December 19, 1954. It says:

Lunardi, youngest mayor in the history of Roseville, was cited for having pulled the largest vote ever recorded for any candidate for office in the city. It was noted that he led the fight for reforms in city governments, spearheaded a hospital building plan, negotiated for electrical power for the

city at a substantial savings to taxpayers, gained adoption of the city planning ordinance and led a campaign to establish city manager form of government.

They go on to say:

. . . this is all part of his being named one of California's five outstanding young men for the year 1954 by the Junior Chamber of Commerce.

So clearly, you had some successes and it paid off at the polls. I want to ask you about a couple of these things. One, I want you tell me about the fight for public power in Roseville.

LUNARDI: Well, the fight for public power was probably one of the most interesting ones that I got into. There was a lot of power in opposition to what I was even proposing. We were a municipal utility. I think in California at this time there were about twelve municipal utilities; Lodi was one, the city of Redding was a public utility. We were buying our power from Pacific Gas & Electric Company. We were going to be negotiating new contracts. We also at that time--they're no longer in the water business today--but we also bought our water from PG & E [Pacific Gas & Electric Company]. And, at the time these were being negotiated. . . . I think the President at

LUNARDI: that time was named [Norman P.] Sutherland. I had held it up and asked to discuss this issue, to make sure that we knew where we were going and what kind of a contract were we getting. Were the rates proper? How would this affect us in the future? What were we doing for the consumer? So there were a lot of things I wanted to know. Not that I was opposed to the PG & E; it was just that I wanted more knowledge, and not to just grab the contract as it came over the desk. In pursuing this I started to make some inquiries about some of these cities, and I found out that the rates were different. Redding had a better rate than Roseville. Lodi had a different rate, and this one had a different rate. So I said, "Why should we have a higher rate than Redding?" I wanted some answers to this if we're going to negotiate. Well, the big mistake was made by the President of PG & E at that time. He was interviewed by the Sacramento Bee. He indicated that if any city refused to accept the contracts that were let out to the twelve, that no city would get this so-called lucrative contract that he talked about. So I took the position, well fine, the hell with

him. If this is the attitude he has, we'll go to congress and ask as a preference customer if we can get Central Valley [Project] Power to bring into this city.

SENEY: Municipally-owned power companies were preference customers?

LUNARDI: Preference costumers, absolutely. They were preference, and I knew this. So, I got a hold of Clair Engle who was a congressman at that time. He became a United States Senator in later years. I asked him about this, and he said, "Let's pursue it." He said, "I'm with you; they want to start pushing Roseville around, fine," he says, "I'm ready to take them on." That was the real big thing that helped me. When the congressman--who was a very powerful man in congress at that time, had a great respect throughout the Central Valley--immediately backed me, I felt very good about that. Then [James K.] Jim Carr who was an authority on water, and the [assistant general] manager of SMUD [Sacramento Municipal Utility District] at the time, got on my side. Jim Carr was the one who developed all of the dams and power projects for SMUD. He actually was the

designer of all of that. He knew that there was extra power to be available to the city of Roseville and that he would do everything as the manager of SMUD to help us get that preference. He and Clair Engle were very close. So it was at that moment--when I was successful--that they called the congressional committee in Roseville and they had a hearing at the Veterans Hall here in Royer Park, and I believe the Chairman of that was called Mr. [Earl] Chudoff; I can't remember his first name. They had a hearing here and in a week's time I got a call from my congressman who says, "You are now a preference costumer," and he says, "PG & E will be wheeling electricity to the city of Roseville." So, that's what started . . .

SENEY: PG & E or Central Valley would be?

LUNARDI: PG & E had to wheel the power. They couldn't deny wheeling over their lines. It was an agreement between the federal government and PG & E that at any time that federal power was delivered to any preference customer, and they owned the lines, they had to wheel over those lines. We still had the problem of the generators, I mean the transformers. The transformers belonged to the

Pacific Gas & Electric Company. And so we had to do one or two things: either buy new ones or buy theirs. They were old transformers, and I understand they hardly deteriorate if you keep care of them, especially those large ones. They had been purchased back in the thirties or something like that; so they were about twenty-some years years old. When we received the bids for them, it was \$30,000, as a hypothetical figure. I looked at the figures that night, and I said, "Well, let's find out how much those new ones cost." So when we checked on it, we found that before we buy these that we should ask for bids. Well, when the bids came in, the bids were identical to what PG & E had offered to sell us the old ones. They said, "This is the price." I didn't see anything wrong with that. When the bids came in--[from] Allis Chalmers [Corporation], Westinghouse [Electric Corporation] and General Electric [Company]--every one of those three bids were identical to the penny. Very strange. And I said, "Well, you know, this is fine, I mean here's brand new generators that cost the same as what PG & E was going to sell us for the other

LUNARDI: transformers so let's get the new ones." So everyone said, "Fine, you know, no use spending \$30,000"--if that was the figure for old ones-- "when you can get new ones for \$30,000."

Well, it didn't dawn on me 'til sometime later that this was a big scandal. Some of the big executives in those corporations committed suicide and were thrown in jail on the basis of price fixing. It was all done in some motel over in Texas somewhere. Then it dawned on me, this is what they'd done to us. It was price fixing. I thought, "Gee how dumb were you; you sit there and you see three bids down to the penny; you know what happened." So they would all bid the same price; then whoever was awarded the bid would split the cost so everybody was making the same amount of money all the time. So they got caught, naturally, and there was a story written about this in a book, and I read that. Shows you how dumb you can be sometimes to let things like that slip by without being questioned, even though it was strange to me. But nobody seemed to come up with, "Well, you know, we should take another look at this. This is impossible; you can't have bids

like this."

SENEY: What was PG & E's reaction, President Sutherland's reaction, to all this?

LUNARDI: They didn't care. They took their transformers and used them somewhere else. They weren't upset about it. They said, "This is the price you wanted, fine."

SENEY: Over leaving their system?

LUNARDI: Oh, they were opposed to it; they fought this very strongly in the congress, against the city of Roseville, against the congress and the congressional committee. Oh, they didn't take this sitting down; they fought very strongly, but they lost. I pursued it. I opened the door for it, but actually the whole thing was done in congress. But I instituted it, and Clair Engle is the one who put it together with the SMUD manager.

SENEY: Now, was this one of the reasons, these kind of successes, that you were approached to run for the legislature?

LUNARDI: Not immediately. I got into the council manager form of government. We [the council] met once a week to operate a city; it was ridiculous. I thought that nobody knew what the departments were

LUNARDI: doing--there was no controls--I thought the operation was terrible. The council manager form of government had been tried by other mayors and failed. I said, "Well, we got to do this; Roseville can't progress properly without a better system. We have to have somebody that's at the top, that has the knowledge and understanding of the operation of the city--how to run departments, to set up balanced budgets and curb excessive spending--these are the things we're going to have to do if we're going to survive in this town." I thought I did a pretty smart thing, if I didn't do anything smart in my life. We didn't have a lot of hearings on this; that's what killed the other proposals. I set up the committee that was necessary to check into it. We had one hearing, and then we had an election. It went pretty good; I think it went three to one. Maybe they had more confidence in the council at that time. I don't know what it was, but we had to have that done, and it's worked beautifully. We've had that ever since.

We hired the first city manager; David Koester was his name; he was from Baker, Oregon.

We screened a lot of managers from all over the United States. He was here for about ten years, and he did a great job, and that started Roseville really moving a lot better.

SENEY: You also were instrumental in the first planning ordinance.

LUNARDI: Well, the planning ordinance was a situation that became very serious. Because it wasn't fair to the city; it wasn't to the taxpayers or to the developers. Every time we had to do something it was piecemeal. I felt--with the help from other members of the council--let's put a planning ordinance together: setting up the proper schedules, what the commitments have to be, who has to appear, plans and approvals and filing fees and costs. Also, make sure that we don't put curbs and sidewalks and utilities and sewers in after the development, but we do it at the time of the development. There was a few that weren't in favor of it, but most of the industry people realized that this was also beneficial to them. When you develop things like this, you put it in the price of the property, instead of charge it to the taxpayer. We went through a lot of curbs and

gutter projects, and I want to tell you something, that is not an easy process. I mean, you want to see irritated people! You say you're gonna assess them a certain amount per foot, then there's a lot of opposition. We were successful in getting the majority to support it, but there was always that element that was opposed to it. I felt that this was wrong. We didn't want any more of that, so this is what we decided with the help of the council to get these things done.

SENEY: You served in the city government in 1950-1958. Did you enjoy the experience?

LUNARDI: Oh, it was exciting, very exciting. It was an interesting era of my life. Of course, I loved the town--I had a great feeling for this town, being born here--and I enjoyed seeing the progress and things. When I was on the city council, they had the street signs in the gutters. I said, "What are they in the gutters for? Let's get them out of the gutters." We put them on signs so when you would go down the street, you would see them.

There were all kinds of little things that worked out. You wondered why they didn't do it; everybody said, "Well, how much does it cost?"

Well, when you found out how much it cost, it was pretty small; so we did those things, and it was a matter of somebody moving and doing those things.

So I was instrumental in getting the street signs that you see now on the streets. They probably renew them as they get older, but those signs were the type of signs that I said we should put up, and we did. They used to put the numbers in the gutters, if you had a curbed gutter.

Then the street lighting system was pretty bad in Roseville; so I formed a committee and had them check out that. We put new street lights in and paid for them little by little. Those were interesting days.

SENEY: How did you get to the state legislature? You first ran in 1956 and were defeated.

LUNARDI: That's right; I was defeated by a very small margin. And then I ran again [in 1958]. I figured that if I lost by at least 7,000 or 8,000 votes that I'd be in pretty good shape to run again. I knew I wasn't going to win, so my mind wasn't made up that this was going to be a winning election for me. The question was, how much was I going to lose by?

SENEY: How much did you lose by?

LUNARDI: It was around 3,000 or something like that. So I knew that the next time I was going to run I was going to win.

SENEY: Who approached you to run for the legislature?  
How did that come about?

LUNARDI: Well, there was some citizens, plus the party, the Democratic party. At that time they couldn't figure out how they were going to get anybody to run against [the incumbent Assemblyman] Francis [C.] Lindsay. He served ten years before I defeated him. He had just finished his eighth year when I ran the first time, when I was defeated by a very short margin. The reason they came to me is that I was getting an awful lot of publicity in Roseville: the hospital, the parking meters, the city manager form of management, the electric power thing. And somebody submitted my name for one of the Five Outstanding Young Men of California. I think there were sixty applications that went in from all over the state of California. At the time Herb Fowler was a newspaper reporter [at] the Roseville Press Tribune. He came to me and said, "I want to

LUNARDI: submit your name as one of the Five Outstanding Young Men in California." I said, "Don't do that, Herb, there's no way I can win that; I don't know of anybody that has been in politics that has ever won that."

He says, "Well, so what; you've got a good background. So you don't win; I'd still like to submit your name. You've got a pretty good record here and let's see what happens."

I said, "Well. O.K., if you want to do that, I don't look forward to winning that at all," which I didn't. I was called by Paul Ward, who worked for Governor [Edmund G.] Brown [Sr.] in later years when I was in the assembly. He called me from Richmond, and he was on the state committee for the Junior Chamber of Commerce. He called me up at home and he said, "This is Paul Ward. I want to be the first to congratulate you for being selected as one of the Five Outstanding Young Men of California." I hung up on him.

SENEY: You thought it was a prank?

LUNARDI: Yeah. I said, "BS," and hung up on him. He called me back again, and I said, "Look, I don't want to be harassed on the phone about this; who

LUNARDI: is this talking to me?"

He said, "Paul Ward."

"No it's not Paul Ward, who is this?" I thought it was a friend of mine.

He said, "Look, will you believe it if I ask Herb Fowler to call you?" He was the one that submitted all of the material.

I said, "Yes, I will," but I said, "I don't want to discuss this with you because you're crazy; you don't know what you're talking about."

He had Herb call me.

He said, "Paul, its true." You didn't want to do this, but you won." So that's how I knew for sure. I'd hung up on him. That publicity hit the papers in the whole state of California. Jackie Jensen, the ball player was one. There was a fellow by the name of [Dr. Donald J.] Cram who helped invent penicillin. There was an explorer by the name of John [Melvin] Goddard. There was a guy by the name of [James E.] Moser who wrote "Medic" and "Drag Net" and then myself. I didn't understand why I was in there.

Jackie Jensen says to me--of course he's dead now--"You know, I don't understand,"--in those

LUNARDI: days, of course I looked real young--"how does a young guy like you become a mayor?" Young people just weren't in politics in those days. You know, I sound like, like again it was in the 1800s; it hasn't been that far back.

I said, "You can't be a ball player as an old man either, can you?"

He said, "No. I've never met a mayor that was as young as you." That's interesting. Now, it's so great to see the world change; we have all these young people now that are in politics. It is so healthy and I love to see this. Older people like me don't belong in politics; we don't have the energy anymore; we don't have the enthusiasm. People that stay in politics until they're old are not doing a service for the people. I really believe that. Especially in congress where they're eighty and ninety years [old]. I don't agree that a man seventy should quit if he's mentally alert, but when they get up into those late ages, they should. I could not today--and I'm in good health--I could not travel as excessively as I did through those eleven

counties,<sup>1</sup> night and day, like I did then, today. There's just no way.

SENEY: That gets us back to the 1956 campaign. All this publicity, the achievement was what attracted the party and others to you. Tell me more about this.

LUNARDI: That's why they really wanted me to run for the assembly. The publicity was in all the papers; it exploded. I became Sacramento's Man of the Week. B'nai B'rith even had me down to a big session. I was invited to all these different places. It was like I was a celebrity of some kind. So, that publicity, they felt, had generated a good stepping stone for me to be in state politics. I didn't generate it personally.

SENEY: This was a large district; wasn't it, as you say, eleven counties?

LUNARDI: Eleven counties, about 5,000 miles of highway, fifty-five members of the Board of Supervisors, I forget how many school districts. We had water projects, highway projects, recreation projects. We had timber, fish and game, wildlife of all

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<sup>1</sup>In 1958 the 6th assembly district included ten counties: Alpine, Amador, Calaveras, El Dorado, Inyo, Mariposa, Mono, Nevada, Placer and Tuolumne. In the 1960 redistricting Yuba County was added.

kinds, a diversified district. I mean, the only thing we didn't have was a lot of people. We had Paiute and Shoshone Indians, we had everything in this place. The biggest city in my district was the city of Roseville in population, can you imagine that?

SENEY: How large was it then?

LUNARDI: Oh, I guess Roseville probably was around 16,000 people.

SENEY: Do you recall how much you spent on the first campaign?

LUNARDI: Well, I remember, it was very little. I remember a primary and a general election; I'd spent about \$16,000.

SENEY: This was in the 1956 campaign?

LUNARDI: This was when I was an incumbent, and that was all I'd spent. That's quite a difference with today.

SENEY: This was in 1958 or 1960 when you spent this money?

LUNARDI: Probably around '60.

SENEY: So you were running for reelection; you spent around \$16,000?

LUNARDI: Right. Around \$16,000.

SENEY: Do you recall what you spent when you ran in 1956?

LUNARDI: No, but it was awful small. It wasn't \$16,000. I would be surprised if it was even \$5,000.

SENEY: How did you approach that campaign? A big district, you've got to go to a lot of different communities.

LUNARDI: I just went county to county, city to city, newspaper to newspaper. In those days the population was so small, sparse, that the place to find the people was on Monday morning at the post office. They used to have to go there to pick up their mail; it was a tradition for them to go there and pick up their mail early in the morning. They didn't deliver at a lot of homes. So, I would do a lot of campaigning at these little post offices all through the district. I walked from business to business. I couldn't ring doorbells because the district was too large, but I did hit the businesses. I figured the businesses were the ones that probably were more inclined to vote for my opponent than me. But I found that I cracked that by going to those places because he wasn't doing it. I guess they appreciated the fact that I was doing it. And I ran into some hostility, where they would say, "I don't vote for a

Democrat." And I'd say, "Wait a minute. You're not talking about a Democrat. You're talking about a man that wants to represent you in the legislature, wants to represent you fairly and wants to talk about the issues of your area. I'm a very private enterprise oriented person. I don't care what party you're talking about." And sometimes they would stop and listen to me and other times they wouldn't talk to me at all. But, I was successful. I got the newspapers behind me; that was important. I had twenty-seven local newspapers and I had a good rapport with them, regardless of their party.

SENEY: Did most of them support you, eventually?

LUNARDI: Not all of them supported me; a majority of them supported me. However, the others did not hurt me. What I was doing was neutralizing them. Then after I became an incumbent, I worked in the area, and they saw what I was doing, I had hardly any problems with my newspapers. I didn't care what party they were in. I understood their philosophies; I understood where they were coming from. I used to stop and talk to them, to ask them if they had any suggestions as to what I

should be doing in the district. These were the things that they seemed to enjoy; undoubtedly [they] had not been approached before by the incumbent. It worked out real well. I never, never had a serious problem getting reelected. Nor did I ever have a serious opponent. So that's the way it went. I thought it went pretty smooth.

SENEY: So, the 1958 campaign was essentially a repeat of the 1956 campaign with the important difference that you won that one.

LUNARDI: That's right. I won it by 8,000 or 9,000 votes, if I remember, when I finally got elected. Then after that, the plurality kept getting larger and larger as I ran. It never got smaller; it got larger.

SENEY: Tell me a little about your opponent, Mr. Lindsay, the Republican.

LUNARDI: He was probably one of the best known professionals in the field of soil conservation. He had majored in college, and he was very good at that. He and I were good friends. In prior years I had supported him for that office. He got involved in water projects, did a lot of water work. He got involved in too much statewide water

programing for southern California. This got him in a little trouble. The counties of origin were very concerned about the shifting of the water power in the state. As a person from this area, who was very eloquent when he spoke about water and things like that . . .

[End Tape 1, Side B]

[Session 5, April 7, 1989]

[Begin Tape 2, Side A]<sup>1</sup>

SENEY: Good evening, Mr. Lunardi.

LUNARDI: Good evening, Mr. Seney.

SENEY: We were talking about your first opponent in 1958, Mr. Lindsay.

LUNARDI: Yes, he did a lot of good things for the district. Then his popularity started to dwindle; it was not a matter of me being popular enough to beat him. I didn't defeat him; he defeated himself. This happens to anybody, so I'm not being critical of him. During that whole campaign, I never criticized him. In fact, I defended him one night. He was being accused at one of my speaking engagements. I told them that I had checked out this issue that I saw in the Sacramento Bee and that he was absolutely innocent of any wrongdoing.

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<sup>1</sup>Due to technical problems this section of the tape did not record during our first session. The material contained in Tape 2, Side A was recorded on April 7, 1989.

LUNARDI: One day he saw me on the street and he said, "You know, you're the only one who really worries me."

I said, "Why is that, Francis?"

He said, "You defend me. You never talk about me."

I said, "Francis, I want to talk about myself." And that's the way it was in those days. It worked. But he had made some errors, made some mistakes, like all politicians do if they stay in office long enough. They get complacent; they get to the point where they think they are unbeatable. All of a sudden they get defeated.

[State Senator Randolph] Randy Collier was one who is a good example. He'd been around longer than any senator in the history of California. When I told people that [State Senator] Ray Johnson was going to defeat him, everyone thought I was crazy. Time changes. He became an old man. He became controversial. He had his district changed. All kinds of things happened. And he was defeated. It was a great shock to him. I was glad I never had to face that sort of thing. I sort of made my own decisions. I got out at right times. Sure, maybe I could

have gone maybe four or five more elections. Maybe three elections, maybe one election, who knows? You never know. I did not leave at the bottom of my career. That`s what I'm happy about.

SENEY: When you were elected in 1958, you entered the legislature as a freshman; did you have any experience in the legislature at all before you went down as a member?

LUNARDI: Only from the basis of what work we did from a municipal standpoint. I never served as a member of the board of supervisors. Of course, the boards of supervisors have more contacts with state legislators than do cities. So I didn't have that experience. When I went to Sacramento, I sat there for about three months analyzing the procedures they had, learning about the legislative process, and trying to analyze the other seventy-nine members. I kept my mouth shut for quite a while, which is good advice to any legislator who first goes to Sacramento. Several new legislators learn the hard way. Your best bet is to take care of your district. Listen and learn, not talk all the time. It really pays off. That's good advice to anybody.

SENEY: Let's go back to taking care of your district. Tell me some of things that you did during that first term that benefited your district: how people in the district got hold of you, what issues that they thought were important, what you thought was important.

LUNARDI: Well, I served on the Water Committee, which had about twenty-one members at that time. I was Vice Chairman of that committee. I worked on a lot of water projects within my area, set up some water agencies. I got involved in the California Water Plan. We spent hours and hours on that program. That also had a provision in there for small project development, recreation, which was called the Davis Grunsky<sup>1</sup> Act. I got involved in that. I was the first one in the history of the program to get the first loan for the Camp Far West Project which is up here in Sheridan. I worked on that. I worked on Placer County Water Agency program. Basically, I was in fish and wildlife, and timber in our area. Access roads, recreational development, the Truckee shortcut, we

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<sup>1</sup>S.B. 425, 1959 Reg. Sess., Cal. Stat., ch. 1752.

put that into the state parks system; we took it from Placer County and Nevada County. That is now kept open all year long between Truckee and the north shore [of Lake Tahoe]. I spent most of my time in the field of water and recreation. Those were the big accomplishments: breaking the Buy-America Act;<sup>1</sup> making sure the Placer County Water Agency, which is now in full swing, had a feasible program. That [breaking the Buy-America Act] was very controversial because it had never been done before. Those were some of the big things. I carried a lot of legislation.

SENEY: When you entered the legislature, [Assemblyman] Ralph [M.] Brown was the Speaker. [Assemblyman] Carlos Bee was the speaker pro tem, and [Assemblyman] William [A.] Munnell was the majority leader. Tell me a little about those individuals and how the legislature operated during your first term.

LUNARDI: Well, that was a very smooth operation. Ralph Brown was probably one of the toughest speakers, even tougher than [Assemblyman] Jesse [M.] Unruh.

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<sup>1</sup>A.B. 820, 1933 Reg. Sess., Cal. Stat., ch. 270.

LUNARDI: But Ralph had a different temperament. Ralph had a very. . . . He had a temperament that had humor to it, was a good infighter, but he did it diplomatically. He didn't alienate and irritate the Republican party. When I hear about how tough Jesse was, and how he operated, they were two different personalities. Ralph Brown was a type of person that had it so well organized, and had the Republicans so well organized that when the budget came up on the floor, he wanted it out on June the third, it went out on the June the third. It didn't go out on June the fourth. This was one of things Jesse could never do. I always considered that a very tough infighter, who knew how to operate and kept that group of assemblymen [Republicans] exactly in the perspective he wanted them in. He took care of them. He made sure that they had good assignments. He made sure that they had some fair chairmanships. He operated with an iron-fist, but he did it diplomatically. He was well-liked. He and Carlos [Bee] played off of each other at rostrum with great humor when the tensions were very high. It's unfortunate that we didn't capture some of that, because it would have

made great reading; it was great humor. One created the humor and the other one would pick it up as a straight man. I enjoyed the harmony. Those were the months that I enjoyed more than the Jesse Unruh days. The Jesse Unruh days became very hectic days; they were imbalanced. There was turmoil. It was fighting and bickering, especially when he kicked all of the Republicans off those committees and locked us all up, all night, on army cots. He never survived that; he understood that. He was a smart politician.

SENEY: You know [State Senator] James [R.] Mills book,<sup>1</sup>

LUNARDI: I've read that.

SENEY: He refers to you in there and says that during that incident you were playing poker.

LUNARDI: Well, he was wrong, again. Because there were a lot of things that he had in there that were wrong. I was playing gin rummy. [Laughter] There were a lot of things in his book that brought back a lot of memories, and most of it was correct. But there was some in there that was incorrect, but that's my opinion. But Jesse did

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<sup>1</sup>A Disorderly House: The Brown Unruh Years in Sacramento. (Berkeley: Heyday Press, 1987).

do one thing. He put the legislature in the driver's seat that they are in today. He developed and made a profession out of it. And now they're being criticized for it, so it's backfiring.

SENEY: Why did Ralph Brown leave the speakership?

LUNARDI: He was offered a judgeship; he always wanted a judgeship, and he became an appellate court judge. That's what he always wanted to do, and he'd spent his time in the legislature, and figured it was time to get out. He was the one that put through the Brown act, which is. . . .

SENEY: The public meeting act?

LUNARDI: Yes. Called the Brown Act.<sup>1</sup> That's exactly right. He was the originator of that legislation.

SENEY: According to the oral history interview with [Assemblyman] Gordon [H.] Winton [Jr.], he visited Ralph Brown when Ralph Brown was an appellate judge in Fresno, and Ralph Brown was very unhappy with that job.

LUNARDI: You know why? This is not an unusual thing to happen to a politician. An appellate court judge

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<sup>1</sup>A.B. 339, 1953 Reg. Sess., Cal. Stat., ch. 1588.

sits back; there's no action. All they do is they read and analyze and make recommendations on court cases. It's a very dry. . . . I'll give you another example. [Senator] George [N.] Zenovich, was an appellate court judge in the Fresno court, couldn't stand it, got out of it and became a lawyer. He's in Sacramento as a lobbyist now. Couldn't stand it, was just very unhappy. There's no excitement for him. It's a matter of personalities. Others that have been appointed to the court enjoy it. They love it. They wouldn't get out of it. An example is former State Senator [Edwin] Ed [J.] Regan, who served in Sacramento, Court of Appeal, Third Appellate District. In fact I saw him today at lunch. He just retired from that. He never complained. He liked it; that was his type of thing; he enjoyed analyzing cases. So, it's a matter of personality.

SENEY: Let me go back to your introduction to the legislature. You said you sat back for a while and observed and kind of got your bearings. Did it seem like something you were going to enjoy from the beginning or when you got there, did you think, "Oh, my goodness, what have I done?"

LUNARDI: Well, you know, I had the same kind of a feeling I had--not as strong probably--as I had when I first went on the city council. I had a sort of feeling, you know, what am I doing here? am I going to be successful? How much demand is going to be on me? What is out there that I don't see? Of course, those things go through your mind. I remember one person saying to me, "Paul, don't let any of this stuff bother you. None of it's very serious." He says, "It will all wash over." What becomes serious today is negligible tomorrow.

SENEY: Did you find that good advice?

LUNARDI: Yeah. I used to notice those that did not have any experience at all, that came to the legislature without any background from city government or from county government, that walked into the legislature. When big issues would come up that were real tough issues, they were "scareder" than I was. I used to make up my mind. What the heck. I was mayor of the City of Roseville when I had them hanging from the chandeliers, you know. It was simpler for me; it didn't bother as much as it did a newcomer, who would sit there and say, "My gosh, what am I going

LUNARDI: to do on this issue?" I didn't have that problem. I just said, "This is what I believe in; this is the way I'm going to vote." And I did it. So, I didn't worry and lose sleep over it. That training before you go to the legislature is very important.

Ralph Brown said one thing to me one time, he said, "When you get some time, I'm going to make you a chairman of a committee, because," he said, "mayors make good chairmen." He's right. Because they have that experience. If you can control a city for two years, be a mayor of that city with all of those people, with all of the issues that you have so close to you in a city, that's good experience. You see, the further you go away from a city into politics, the further you get away from the people. And as you go to congress you get away further. And if you get into the United States Senate it's even further. It callouses you. When I went to Sacramento, I wasn't overwhelmed by everybody. You know, you got a title and so everybody was Mr. Lunardi, senator or assemblyman. It didn't mean anything to me. There were those that loved that title; the title

LUNARDI: didn't mean anything to me. It wasn't that I didn't think it was important. I liked somebody calling me Paul before they call me senator or assemblyman. I felt they were closer to me. If they call me by the title, I felt they weren't close to me. I had that feeling all the time. That was just me. Even today I have people calling me "senator," and I say, "My name is Paul." The elevator operator used to call me "senator" all the time when I'd get in the elevator, while I was a lobbyist. I finally told her--her name was Ruthie--I said, "Ruthie, please call me Paul. Every time you call me senator everybody in the elevator turns around." I said, "I'm not a senator anymore."

She said, "Fine. You mind if I call you Paul?"

I said, "No." She was happy about it. But there's still that respect, you know. But, I like them to call me Paul. It meant something to be in the district and somebody would say, "Hey, Paul," instead of senator.

SENEY: When you went to the legislature the only staff you had was a secretary, right?

LUNARDI: Just one secretary.

SENEY: And an office.

LUNARDI: That's right. And I had eleven counties, and I had no district office. I was allowed a district office, but where would you put a district office in eleven counties so that you wouldn't have the other ten mad at you?

SENEY: Was this your political insight or had Ed Lindsay, your predecessor, made this mistake?

LUNARDI: No, I don't even know what he had. He might have had three district offices, I don't know. No, it was mine. I told my secretary--her name was Delle Reshke; she was with me for eight straight years; I only had one secretary--I said to Delle one day, "Delle, there's no way I'm going to put a district office in. If they want to see me, they can either write to me or come to Sacramento." And it worked.

SENEY: Had she had previous experience in the legislature?

LUNARDI: Yes.

SENEY: Was she a help to you?

LUNARDI: Yes, she was. She knew where all the door knobs were. I made sure that I hired somebody not from

my area; I hired somebody from inside the secretarial pool. Actually, I didn't pick her. I went to the supervisor, the woman who handles the secretarial pool; I said, "I want you to choose a secretary for me. I'm going to have eleven counties, and I want somebody that can handle that." And she sent me Delle Reske.

SENEY: You find that she was helpful to you?

LUNARDI: She did a magnificent job. In fact, she was the assemblywoman. She did it. She knew all my people; she knew them by their first names; she knew every highway in my district; she knew all of the school districts, all of the members of the Board of Supervisors, the district attorneys. Fantastic woman. I mean, she was so helpful, and it was a lot of work. I had so much work that I used to go into my little room over here--then it was a little den, this little bedroom here in this house--I would spend all weekend, Saturdays and Sundays, dictating letters on a machine so that I could catch up on my mail. That's what I used to do on Saturdays and Sundays. I didn't go fishing. I didn't play golf. I didn't do any of those things. I didn't have to do that every weekend,

but a lot of weekends I'd have to do that in order to catch up.

SENEY: A demanding job?

LUNARDI: Oh yes, very demanding. Very demanding. I didn't have the staff to take care of all these things for me. But when I went to the senate I had a consultant that worked with me--a field rep actually--and he did a good job for me. But Delle was always the one that ran it for me.

SENEY: She went to the senate with you too?

LUNARDI: Oh, yes. So, in those days they didn't allow that to happen. The senate never allowed secretaries of the assembly to get over there. I told them that if that was the case, that I thought that the rule should be changed, so that my secretary, that knew my district, who knew me, knew my personality, should be able to follow me over. And I said, "I can understand [if] somebody that's never been in the assembly becomes a senator and wants to hire a secretary from the assembly. If that's your argument, that's fine, but the other doesn't work. And the only thing that I'm going to tell you is, if I can't get this rule changed, I will pick her and make her my administrative

assistant." See, they couldn't do anything about that, so they changed the rules. I was the first one to change the rules of the senate on switching secretaries from the assembly to the senate.

That's how she was with me all that time.

She said, "You know, I can't come to work for you over there."

I said, "Oh yes you can."

SENEY: Let me ask you about your district in the 1960 reapportionment. Did your district change at all?

LUNARDI: Yes, they added Yuba County.

SENEY: They made it bigger for you.

LUNARDI: Well, I had ten counties when I first started. I should have clarified that before. When I first was elected to the assembly, it was ten counties, and then in 1960 they added Yuba County. I didn't have any trouble. The first time I ran I still carried Yuba County, I think, three to one or something like that. So, I carried it pretty well.

SENEY: Were you involved in that districting decision? Did they consult with you or was it simply made known?

LUNARDI: No, not really. They said, "Your district is so large and now that we got to give you another county, we'll give you Yuba County. Do you have any objections to that?" And I said, "Of course, I don't have any objections to it." The newspaper came to me, "Do you have any objections to this?" What was I going to say, "Yes?" [Laughter] Of course, I had some reservations about the distance, but I wasn't going to object to it. Actually Yuba County didn't cause me much problems. I used to have to do some work up there; there wasn't a lot of issues up in that area that bothered me too much. It was kind of accessible. From Roseville to Marysville--the big city--was forty-five minutes, compared to Death Valley and those areas where it would take me all day to get there.

SENEY: How often would you make a circuit of your district?

LUNARDI: At least twice a year. Most of the time I did it in the off year, because the off year I thought was more important. They couldn't say much about me just seeing me at election time. I never had that stigma placed upon me while I was in

politics. Nobody could say that. They always knew that I was there in the off years. Everybody knew I was through the area twice. Sometimes I'd even make a fast trip on other occasions for emergency purposes--somebody wanting to see me in the school district or the board of supervisors--so sometimes I made more than one trip. But I'd make a complete round of the area at least twice in the off year, taking care of legislative business and going to interim hearings. A lot of work.

SENEY: When you ran for office--either in Roseville or ran for the state legislature--was there anyone that you relied on for political advice? Or did you find that you had political instincts of your own that you could rely on?

LUNARDI: Well, you always make inquiries on legislation. You check to see how it affects the area. I'd pick up the phone maybe and call somebody and I'd say, "You know there is a bill up; what's your opinion, does this bill affect you people?" I used to do that quite a bit. But a lot of times you just had to make up your own mind to how these bills would affect the district; usually you would

LUNARDI: learn real quick. There were other legislators that were there a long time; they were discussing the issues all the time.

Somebody would come up and say, "Hey, Paul, this would be a good bill for your district," or "Paul, be careful of this bill; you better check this out." You always had friends; I had friends on both sides that would tell me, "Check this out before you get involved in it." We did that to everybody; we had a pretty good system going.

When I first went to the assembly--I'll never forget this--I said, "Ralph [Brown], you know, I'm brand new, and the bills are coming so fast on this floor that I don't think I have time to read some of them." I said, "You know I'm very leery."

He said, "I know your district very well; I've been here a long time, Paul; if you have any questions, give me a signal; watch the way I vote and you'll never get hurt."

When I was a freshman, he helped me a lot that way. That was very interesting. He had been there so long and knew the issues; as speaker you know all the bills that are coming up; you know which ones to stay off of and once in a while you

just say, "Stay off; don't worry about it; I'll take care of it." That's how good he was.

SENEY: Let me put it another way. Did you find that you had pretty good political instincts?

LUNARDI: Yes. You know, being in politics as long as I have been--and I think I have been successful as a lobbyist--the instincts must be right. This field is a tough field; my secretary used to say to me that in all of the years--you see, she had been there longer than I had--she never had seen anybody that had perfect timing like me.

She said, "You seem to know when to get on to a bill and when not to." I never sensed that; I just did it automatically. But she used to bring that to my attention; so maybe I had good timing, I don't know. She thought I did. She said, "You do things at the right time,"--she brought up the agricultural thing--"you hit that when it was hot and ripe. You touch things at the right time; it's an instinct." Maybe that's what I had, I don't know. I wondered sometimes if I was on the right track on things but. . . .

SENEY: Did you have doubts sometimes?

LUNARDI: Oh sure. Oh absolutely, absolutely. I had reservations every time I made a speech in my district; was I saying the right thing or was I getting myself in trouble? That didn't happen; I didn't get myself in trouble, but I always had reservations. I was always critical. "I don't think I gave a good talk tonight," I thought. "It was a terrible talk." And maybe that's why I did better. Because I was so critical. I used to plant myself in a corner; I hated to give a written speech or with notes. I think I gave one written speech in my lifetime as a politician in state government. That was at Lake Tahoe; I had to because it was that kind of a thing. But mostly I'd make up my mind about what I wanted to talk about; I seem to do better when I didn't talk with a format. People seemed to like that better, too. When I first started I was a terrible speaker, scared, terrible, no confidence. Then I started to get more confidence; I got to where I'd talk about the issues better. You sort of develop that; I've been away from it so long, I don't think I could do it well now. I think I would be a terrible speaker now. I don't think I can speak

as well as I used to. I'm not one of those people that like to just get up and talk because they like to hear themselves talk. I'm not that; I'm just the opposite. I probably was never a great speaker. Some people thought I was; I developed into a good speaker. Maybe I did; I don't know. I know I was more at ease. I knew that I could get up without fright. I was nervous until they'd call on me; then once I got into it about five minutes, then I was very calm, and I could talk. I had some real problems in speaking. At the beginning when I first ran for state office, I considered myself a complete failure when it came to speaking. I thought I was terrible. I didn't think I was terrible, I was terrible. I had a lack of issues, a lack of knowing what to talk about. I didn't have the confidence; I had a hard time and so I fought it and. . . .

SENEY: One of the important skills you had to have?

LUNARDI: Yeah, and I didn't have it; I really didn't have that skill when I first started. Sometimes I wonder how I ever got elected. But I started, there was something else about me that got me through. It sure wasn't speaking because I never

LUNARDI: developed that until later on. I started to really get into it because I had a lot of requests for speaking. I mean if it wasn't the chamber [of commerce] it was the school teachers. I was running eleven counties and doing a lot of things and it became a part of life. Maybe I learned to speak there like we've learned to talk with each other here.

[End Tape 2, Side A]

[Session 2, March 11, 1989]

[Begin Tape 3, Side A]

SENEY: Good morning, Mr. Lunardi.

LUNARDI: Good morning, how are you?

SENEY: Good. I want to ask you again about your arrival in the assembly. You were elected in 1958; the session began in January, 1959. I want you to recall for me what it was like to come to Sacramento for that first legislative session. What sticks in your mind?

LUNARDI: Well, the thing was, I really didn't know where my office was going to be, nor did I know who I would select as a secretary. I wasn't sure of what my assignments would be; I wasn't familiar with the legislative process at all. I learned that very quickly, and you always do.

SENEY: How did you learn that quickly?

LUNARDI: Well, you sat about two or three months on the floor; your first session you pick that up. I figured a freshman should do what he could to help

his district, sort of keep his mouth shut and listen and learn for the first year of the session. I attempted to do that. I tried to analyze the other seventy-nine members; how they voted; what their personalities were. It was kind of a challenge to me to learn those personalities and their philosophies in both parties. It was interesting how after a few years in the legislature, you almost knew how a person was going to vote on a certain piece of legislation. You miss it sometimes, but you get pretty close. I used to know exactly how far I could go on legislation that I carried, whether I could have any real definite successes with it, have it ultimately passed then and signed by the governor.

SENEY: Well, you certainly must have listened to remarks on the floor?

LUNARDI: Oh, yes.

SENEY: How about after hours socializing with the other members? Was there a good deal of that?

LUNARDI: Yes. The first couple of years that I was in the legislature there was a tremendous amount of that. That was basically how you got acquainted with the members of the legislature. They're missing that

now; maybe that is why we, today, don't have the camaraderie that we had.

SENEY: There must have been watering spots.

LUNARDI: Frank Fat's was big; there was Bidell's at that time, that is now Brennan's; there was the El Mirador Hotel. We used to have functions there all the time. The Sutter Club, we hardly ever used that; on occasions we did, but nobody went to the Sutter Club in those days. Then there were firms that used to put on annual dinners; everybody was invited regardless of party. So I think the association was a lot closer among the members in those days than it is today. Today they're more independent; they don't socialize as much as we used to. There's a good reason for that. With the salaries that they receive, most of them have moved up here [to Sacramento]. I was very fortunate that I could drive home in twenty, twenty-five, thirty minutes. But others from L.A., and other areas of the state, they had to get an apartment here; they had to rent a place. The families weren't here; they were down in southern California or Fresno or in one of those areas. They couldn't afford to have them come up

here; we were receiving \$500 a month plus \$19 per diem. You don't bring the whole family and kids up to another residence unless you're pretty wealthy. So consequently, that's why the socializing was more evident in those days than it is today.

SENEY: And the legislative sessions didn't last as long.

LUNARDI: No, that's another thing that we're losing today that I think is important. I think we were really wrong in creating annual sessions under Proposition 1A.<sup>1</sup> I believe that even though [Governor Ronald] Reagan and Governor Brown [Sr.] supported this--on the salary increase basis--I don't think they should have had annual sessions. We used to have the annual sessions in the odd numbered years. In the even numbered years the only legislation that we would take care of would be that which the Governor proclaimed as an emergency--urgency considerations of problems around the state--and the budget. We did that in three months. After that we had what you'd call very extensive interim hearings on legislation that was not passed, or problems that they felt

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<sup>1</sup>Proposition 1A (1966)

should be studied. Now with the annual sessions as they are, they're spending more time in the legislature than they are in interim hearings. They have a few, but we had extensive hearings within the district. That carried us right at the source of the problem. We had expert witnesses that were familiar with the problems to testify in these committees; they'd last sometimes two or three days. Then we would come back and analyze those reports; find out exactly whether or not legislation was needed or whether we'd just leave it as it was. And it was very important; we picked up tremendous information around the state. We don't have that anymore. I think it's a great loss to the people. Maybe that's why we're not progressing as fast as we were in those days.

SENEY: On this other point, the fact that the legislators socialized because they were away from their families, these interim hearings must have had the same effect. You're traveling around the state, staying in hotels, holding hearings, socializing together at night and getting to know each other.

LUNARDI: Oh, yeah, we were always together.

SENEY: That's a very interesting point that you make. You know, I'm sure that the planners of 1A thought that if they made the legislature a year-round operation, that they would probably build more unity among the legislators. But you're suggesting that maybe that had the reverse effect.

LUNARDI: I think it had the reverse effect. I would like to see the system go back to the original. What we have today is basically professional politicians. I personally don't think we need professional politicians.

SENEY: Do you think that more of the members' time is taken up with reelection concerns now than it was in those days?

LUNARDI: Oh, yeah. Now it's just a continuous reelection theme around the Capitol. You know, fundraisers, massive amounts of money being raised because of the costs involved, television. [Senator] Alan Cranston once told me that when he ran the first time for United States Senate [1968], in his political advertising on television, by the time they mentioned his name, he had already spent \$20,000. I think he was controller at the time; or was he defeated from that? I don't remember.

That's just staggering to think about, what it is today if it was that much in those days. They used to have little short ads on TV because of the tremendous cost. Then your direct mailing now is so expensive. Twenty-five cents for a mailer, for stamps, of course, bulk mailing maybe fifteen [cents], but that's still high. Of course, the massive amount of population that you have now is large compared to what we had. I'm hearing today that 2,000 people a day establish residence in the state of California. So, I don't know where we're going in population.

SENEY: Do you think there is some argument for increasing the number of senators and representatives?

LUNARDI: No. I don't think that's a logical thing to do. I think that once you do that, it becomes even more cumbersome. I think the Congress of the United States is a disaster to have 435 members on that floor. I don't think people have control of any kind. The 100 senators I think is a great control. The chances of getting anything out of the congress is almost prohibitive; it's difficult to find out exactly what transpired. I think it's a very cumbersome system. I don't think it will

ever be changed. We have it, and we'll live with it.

SENEY: Let's go back to the beginning of the 1959 session of the legislature; Ralph Brown is elected speaker in the Democratic caucus. Was there any controversy over that?

LUNARDI: It wasn't an outward controversy. [Assemblyman Augustus] Gus [F.] Hawkins, who is now a congressman, wanted to become the first black to become speaker. Gus Hawkins, in my opinion, is one of the most impressive people that I met during the time I was in the legislature. A very, very compassionate, understanding man. At that time, when blacks were really discriminated against, we had Gus Hawkins and [Assemblyman William Byron] Rumford on the floor that nobody discriminated against. They were very well-liked as people. They were recognized as top legislators. They socialized with us. We didn't preclude them from those social gatherings. Of course, I never went through that as a kid, like you do in the south. So, Gus Hawkins became a congressman. He's still in congress. I don't think we can afford to retire him. He'll cost us

too much; he's had fifty years in public life, and still going, very bright. So, he did make a challenge; he didn't have enough votes to get it, but he made a challenge. I supported Ralph Brown. I talked to Gus and told him that I felt that Ralph would probably get it and I would like to support him, and nothing personal against Gus Hawkins. We were always great friends.

SENEY: Had Brown been a minority leader in the previous session of the legislature, do you know?

LUNARDI: Not to my knowledge. I forget who was minority floor leader, that was before my time. I remember that "Abe" Lincoln, [Assemblyman] Luther [H.] Lincoln--I think his name was--was Republican speaker of the house at that time. Then after this election [1958], Ralph Brown went for it. Actually, the first person to lobby me for Ralph Brown--I didn't even know Ralph Brown from Jim Brown--was [Assemblyman Thomas] Tom [J.] MacBride, who just retired as a federal judge. He was a member of the assembly at that time. In fact, I think that MacBride might have been the minority

floor leader;<sup>1</sup> I wasn't in the session at that time. Tom asked me about supporting Ralph Brown. I knew Tom so well; I'm brand new, and a neophyte in that circle, so I agreed to do that. But I did speak to Gus Hawkins about my position on this, that it had no reflection on him.

SENEY: I know you've said to me before that your feeling about Speaker Ralph Brown was that he was an outstanding speaker.

LUNARDI: Outstanding speaker. Very bright man, with a great sense of humor. He could control the tensions in the house with his humor so easily, that they should have recorded everything he said. Some of it was recorded, but some of it wasn't. Between he and Carlos Bee, they played off each other at the rostrum. At times of great tension and big issues of controversy before you know it, they'd have the whole house laughing.

SENEY: I know that's a long time ago, could you recall any specific incident?

LUNARDI: Let's see. I'd have to go back. I probably have some of that around my home here, somewhere. If I

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<sup>1</sup>William A. Munnell was Assembly Minority Floor Leader during the 1957-1958 session.

went back into some of my files. . . . I can't right at this point come up with any particulars. It is just spontaneous things that come up, like a comedian would come up with. Sometimes you'd wonder the next day what the comedian said. It was a humorous, well-run house. Carlos Bee was, as I indicated, the speaker pro tem. They both conducted the house with great strength.

SENEY: Could you talk about Carlos Bee a little bit?

LUNARDI: Yes. Carlos Bee was originally a school teacher from Hayward. He came to Sacramento--I forget what year now [1955]--and developed a tremendous reputation. He was absolutely, not just liked, but loved by all the people who were there in the legislature, including staff, constitutional officers, and the whole bunch. Great following, just a great following. Very bright man. He was the type of guy that never hurt anybody. He was always very cautious of that and made a lot of friends. Alcoholism took him, which is just a sad thing. Who do you blame for that? I used to always say that they shouldn't go into his room and drink with him because he kept liquor. I used to say that if they stayed out of there, maybe

he'd come out of it. But I had no control of that, either. It was sad.

SENEY: Was alcohol a widespread problem?

LUNARDI: No more than it is today. I think that there is always the element of alcoholics; in those days, there might have been three or four different ones that were alcoholics, and some we didn't know about.

SENEY: One of the things I read about the legislature in those days was that there was a good deal of partying that went on. That there was a good deal of after hours socializing. . . .

LUNARDI: Tremendous amount of partying going on.

SENEY: Was alcohol much of a problem with those? Or was it kind of a lubricant?

LUNARDI: Yeah. It was kind of a lubricant, a lot of drinks socially. There was always that person that always drank too much. You can't control that. I went to a lot of those social gatherings. I had my drinks, but I'm a very fortunate drinker because I can control it. Those who can't control it have real problems.

SENEY: It wasn't your impression that it interfered with business.

LUNARDI: No. Of course, I never drank during the day. Those who drank during the day didn't get their work done. Nor could they today, you know. I never kept anything in my office at all at any time, even coffee, and I still don't do it now. So, it was just a habit I never got into. There was nothing wrong with it as long as you didn't get drunk and make a scene. But there was those that had to have their little encouragements, I guess, to start the day out. Fortunately, I wasn't one of them.

SENEY: There's one other person I want to ask you about, Mr. William A. Munnell, the majority floor leader and chairman of the Democratic caucus.

LUNARDI: Bill Munnell became a judge, was appointed by [Governor] Pat Brown to become a judge. He was a very bright lawyer, very cooperative in the caucus trying to help all of the members of the Democratic party. He was a good speaker on the floor, was a good parliamentarian and was a very effective majority floor leader. He did a good job.

SENEY: What qualities make for a good legislator, do you think?

LUNARDI: Well, one who really is dedicated to doing something for the district that he represents, or the state as a whole, on major issues that are statewide. One who doesn't become a legislator just for the salary, the fanfare or the titles. That to me makes a good legislator, one who understands he has a title, doesn't use it to his advantage. Works very hard for the purpose for which he was elected. One who has great integrity on top of it, makes a hell of a good legislator.

SENEY: I've heard it said that it's absolutely necessary to have a reputation for keeping your word.

LUNARDI: Absolutely. I throw that in on the integrity part. Integrity of your ideals, the integrity of doing things legislatively without participating in the monetary solicitations. Those, in my opinion, make good legislators. In the days when we were there, your word was very important whether you were for or against anything. You maintained that. The thing that disturbed people, that disturbs people now, is the fact that those commitments are not maintained. They jump from one place to another. In our day you were highly criticized. Even if I came to you and said that

I was going to vote against your bill, then turned around in committee and supported it, you were curious as to what happened. Why did you do this? Because people are counting votes to determine whether a bill's going to pass or be defeated. The numerical part of the legislature is very important to these people. But I think integrity, dedication, are very important, very important.

SENEY: Is it your impression, since you have kept in touch with the legislature all these years as a legislative representative, that there is less of this honoring one's word today, perhaps?

LUNARDI: Yeah, I see it less. I see it less. I can't understand why unless there's new pressures out there that maybe we didn't have. There's more people writing. Of course, when a lot of pressures come in from the legislator's district, there is great concern. Maybe that's part of it. We didn't have all of the demonstrations in those days as you have today. The media wasn't as close in those days. But maybe that's wrong. I think the media was close. They were on the floor those days like they are now. I think the media was more cordial to legislators in those days than

they are today. I think they're more adamant today to the legislative maneuvers that go on in Sacramento. I support strongly freedom of the press, even if it is against me. I think that they go way out of line sometimes, condemning members that are elected to office whether it is local, state, or federal. I think they go way out. I think they have created an image of condemnation of people's principles. That has precluded the citizens, and denied us the ability to have good people run for office. I know a lot of people I've talked to who said they'd never run for office. One day you're a hero when you get elected; then the press condemns you from there on out. So they're very concerned about that. We'll always have people run for office. I just don't know how long it'll be before all this comes back into the middle because I think everybody loses.

SENEY: You must have wanted to get known to the press in your district, things you had done that might be helpful in the next election, or inform the constituency. How did you handle that?

LUNARDI: We had a friendly press in those days. Even though I was a Democrat, in the Republican papers

they were very friendly. As I indicated, I made it a point to make sure that they were always advised as to what I was doing. I always stopped by and talked to them about what I should be doing, or had I been doing something that they didn't like; they appreciated that because I made them a part of my political operation. I developed a good relationship with them. I didn't have any problems the eight years I served. I never had a problem with Sacramento Bee, or the Sacramento Union.

SENEY: When you sponsored, let's say some Placer Water Agency legislation, or some of the other legislation, presumably that would turn up in the local newspaper of the affected area. Could you depend on them finding that out on their own, or would you take it upon yourself maybe to let them know about that?

LUNARDI: Well, in many cases they found that out by themselves.

SENEY: They'd use wire service, or reports.

LUNARDI: Right. Also local people within the area that were working with me on the water committees would be more accessible to the press. They were right

there. They, in turn, would say, "Paul Lunardi is doing this or doing that." And they [the press] would call.

SENEY: At a meeting of one of those local water committees, would someone be there from the local paper?

LUNARDI: Oh, sure. Of course, you know they have a pool of information that goes from reporter to reporter, newspaper to newspaper. Consequently, somebody's going to get wind of something. There were no secrets.

SENEY: Right. Good or bad.

LUNARDI: Good or bad.

SENEY: So you didn't really have to worry about that much.

LUNARDI: No. I used to put out a few news releases, but mostly the press picked it up.

SENEY: Why would you put out a news release?

LUNARDI: Well, I used to put news releases out when I thought it was important. To let a certain county in the area know that I was thinking about doing a certain thing, developing a new project, concerned about a school district problem. That I was going to be working on something, and I wanted the input

from the locals. So in those circumstances, I would send that out. But I never sent a lot of news releases out. Never sent many.

SENEY: I think that has changed, hasn't it?

LUNARDI: Oh, yes. There's a massive amount that goes out. There are certain people who will read them, but if you don't make them short, nobody will read them. People get mass mail at their doorsteps, a massive amount of mail. Consequently, with the junk mail and all of this stuff coming in, it gets lost. Thank God, though, we've got junk mail because otherwise our stamps would be about seventy-five cents.

SENEY: [Laughter] Maybe so. Back to the leadership, I take it the leadership question was resolved without a great deal of struggle then. Mr. Hawkins . . .

LUNARDI: . . . Conceded. He didn't have the votes.

SENEY: . . . Kind of by acclamation then.

LUNARDI: That's right.

SENEY: Now this was prior to the day that Jesse Unruh became speaker.

LUNARDI: Yes. Jesse was on the floor.

SENEY: But the rule became, if I'm not mistaken, after Mr. Unruh became speaker, that once the caucus had voted, the Democratic caucus had voted, that you were all bound to whomever had won a majority vote in the caucus.

LUNARDI: Right.

SENEY: Was that true in 1959?

LUNARDI: No. It wasn't. You weren't bound at all. Jesse Unruh--I don't know how he did it, but he was pretty smart--talked Carlos Bee out of running for speaker. Carlos Bee had it cinched. I didn't support Jesse Unruh. I thought Jesse Unruh was too much of a driver for other interests. I thought he would hurt the Democratic party.

SENEY: Did you ever change your mind about that?

LUNARDI: I started to respect him later on. Yes, but I supported Gordon Winton. And then when Gordon Winton didn't have it [the votes], he released me. I finally voted for Jesse at the end. But Jesse knew that I was one of the holdouts.

SENEY: Did that make any difference to him in his relationship with you?

LUNARDI: Well, it meant that I wasn't going to get a choice committee, that's for sure. A chairman of a

choice committee. I got on a lot of committees; he couldn't preclude me from that, but he didn't give me any choice committees. He called me up one day--he called me personally in my office--and said, "You know, I've got two committees left open. I'd like to know whether you'd like either the chairmanship of the Joint Audit Committee or the chairmanship of the Veteran Affairs Committee."

And I said, "Well, I'd have to think about it, Jesse."

So, he said, "Well, call me back this afternoon." Well, for some reason I didn't call him back and he put me on as the chairman of the Veterans Affairs Committee on his own. But I was on very, very important committees.

SENEY: Let's talk about that. During the first session you were made vice chairman of the Water Committee.

LUNARDI: That's right.

SENEY: Now, the Water Committee is certainly an important committee, statewide and in your district. Tell me how that appointment came about.

[End Tape 3, Side A]

[Begin Tape 3, Side B]

LUNARDI: [Assemblyman] Carley [V.] Porter was going to be chosen by Ralph Brown as the chairman of the Water Committee, and Carley Porter was from Los Angeles. And Ralph Brown said to Carley Porter, "In view of the fact that we have this new mayor from Roseville up here from the north," he said, "what would you think about having Paul Lunardi as the vice chairman of the committee?" And Carley Porter thought it was a great idea to have a new man who just got elected that replaced Francis Lindsay, who they felt was one that was creating a lot of problems in the water field. Something like that, I don't even know what the background details are. So, with all of that; they decided that's what they would do. So then I became a [vice] chairman.

At that time Carley Porter said to the Rules Committee, "I want him to have an office close to mine." So that's when I found out that I was going to have an office at a certain place as freshman. They built an office for me down there. It was a small office, but it was on the second floor, and Carley Porter's office was right next

door.

SENEY: That, I suppose, in the pecking order was important?

LUNARDI: Oh, sure, because we talked; Carley and I had a great respect for each other. When he was gone and I was conducting the hearings, I always made sure that any legislation that affected Los Angeles, that I was opposed to, never came up for hearing. So we had that rapport, and we developed a great relationship. And he did it vice versa as far as our northern problems.

SENEY: Not only did you represent different sections of the state, but you also represented some of the counties of origin of water, right?

LUNARDI: Absolutely. Most of the counties of origin I was involved in. [Assemblywoman] Pauline [L.] Davis was involved in the others, up north. So, between Pauline and I [in the the assembly] we had the bulk of the counties of origin.

SENEY: You also had been appointed by the League of Cities to the statewide Water Committee in 1956. Did you think that had a bearing on your appointment?

LUNARDI: I don't think anybody even knew I was on that in the legislature. I think that at that time the League of Cities wanted to have somebody on the council on their water committee. When I went to the first meeting [in 1956] in Berkeley--that's where they used to have it--they said, "We're going to put you on a water committee, do you have any objections to that?"

I said, "No." So, I was on there with a former mayor of Los Angeles, what was his name? [Norris] Paulson or something like that.

SENEY: Paulson.

LUNARDI: Paulson, that's right. First time I ever met him was in Berkeley. And that's how I got on the committee. We didn't have a lot of meetings; we never really got into the water studies.

SENEY: On the League of Cities?

LUNARDI: Yes. There were a few meetings we had. But, I don't [think] anybody in the legislature even knew I was there.

SENEY: As I said, water was an important committee, did you feel unprepared as an . . . ?

LUNARDI: Well, let me tell you. I beg your pardon?

SENEY: How did you feel when you went in to begin with, with the committee meetings? Did you feel as though you were pretty well prepared for the task, or did you have a lot to learn?

LUNARDI: I had a tremendous amount to learn; I was not prepared at all. It was just another avenue of challenge, and, of course, all committees were to a newcomer, you know. The committee that you have today on water is nothing like the committee we had in those days.

SENEY: How do you mean?

LUNARDI: Well, we had twenty-one members on that committee; that was a large, large committee. Because of the California Water Plan development, we had a great cross-section of people on that committee from all over the state. So, the committee on water was as big as the Ways and Means Committee today. It was a massive committee. We had a lot of members. Today, I think they have about seven maybe.

SENEY: Because the questions have been largely resolved.

LUNARDI: That's exactly right.

SENEY: The system is built and you don't have the contention.

LUNARDI: That's right. It was big. It was a big, big committee, and extremely important, because that committee is what started the California Water Plan, even though I opposed it.

SENEY: Why did you oppose the water plan?

LUNARDI: Well, I had questions. I felt that the \$1.7 billion was really not going to be a sufficient amount of money. At that time it was a lot of money. The other thing was, [to see that] the counties of origin water was protected. For that reason, and other reasons I don't even remember, I opposed it. I felt that our water rights should have been better protected than they are. It still concerns me whether they are or not. Of course, northern California was strongly opposed to the California Water Plan, except for my counties of Mono and Inyo that were in the Owens Valley area.

SENEY: Well, that passed by a very small margin. 58,000 votes.

LUNARDI: That's right. It wasn't a big margin. And it was true, \$1.7 billion dollars was just pocket money. It was only pocket money! The great thing about it--where they tried to protect and give some

development and financial resources to the mountain county area--was the Davis-Grunsky Act.

SENEY: Tell me a little more about that now, in the context of our discussion on water.

LUNARDI: Well, they knew that in order to get a California Water Plan passed, that they had to give the counties [of origin] some monetary consideration in water development and recreation. Otherwise, it probably would have died. The Central Valley vote would have toppled it. So, [State] Senator [Donald L.] Grunsky and Pauline Davis got together and put this package together as a part and parcel of that program. I believe that all came under the Burns-Porter Act.<sup>1</sup> Because that was the big bill that put together the California Water program. The reason for State Senator Hugh [M.] Burns being on there was because he was a northerner--a middle of the state type, a conservative Democrat--and very well recognized throughout the state of California. So they knew Carley couldn't be the lead-off man on the California Water Plan.

SENEY: Carley Porter?

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<sup>1</sup>Proposition 1 (1960).

LUNARDI: Yes, Carley Porter. Because he came from southern California. That was all put together, and within the structure of that piece of legislation--it's very vague to me now--there was an attempt to protect the counties of origin. There were a lot of questions as to whether that really took care of it all. There was some protection. But it turned out to be a pretty good program. I, today, have to say that it came off a lot better than I had anticipated it would. I think that we can still protect our water up here, as long as new legislation doesn't pass to take more acre feet of water away from us. The Oroville Dam was probably the first earth-filled dam built in the United States or maybe the world; I don't know, but that was the first try. You know, they had an earthquake up there and it wasn't affected very badly. It didn't injure it at all. I don't think there was any damage done. That was a fortunate thing. The overall program with federal participation, I think that was probably one of the biggest successes in Governor Brown's [Sr.] favor, the California Water Plan.

SENEY: You know that there was a massive bond issue at the time, \$1.7 billion. It doesn't seem so large now, but it was a huge bond issue in those days.

LUNARDI: Oh, massive. Oh, sure.

SENEY: And while the vote was close, it did pass. People were willing to spend money on those kinds of things. Would you say that the climate then was much more favorable to government activity in areas like this, that the voters had a little more faith in the legislature and the governor, and a little more desire to spend money on public projects?

LUNARDI: Yeah. They had a little more faith in those days in the legislature, I think. There has been some erosion of that faith in the present legislature. I think they'll come out of that, too. You go through trends. I think one of the things that probably has injured the legislature today more than anything is contributions. Massive fundraisers, honorariums, FBI [Federal Bureau of Investigation] investigations, all of these things stir the people up and rightly so. There are commitments that are there and evidence. I'm not too sure the FBI are exactly right on all the

people they've condemned. I think they're probably wrong on some of those they've named. They may be right on some. All these things that the people keep reading in the paper, the millions of dollars that are raised by the leaderships of both parties, people don't like that.

SENEY: Do you think that a state water plan would be possible today of the same scope, given this change in attitude?

LUNARDI: Oh, that's hard to say. It would depend mostly on the needs. I think whether northern California opposed it or not, southern California could pass a bond issue if they wanted the water. And you know when you see the massive millions of people that live down there compared to what we have up here, I think they can pass a bond issue if they really needed the water. I think they could do it in spite of us.

SENEY: Back to the Water Committee, was it a well-run committee?

LUNARDI: It was beautifully run. I never knew a time--even though we had our arguments and disputes over issues on the committee--when there wasn't harmony among all of the members of that committee,

regardless of party, and a good relationship.

It's very interesting how things went so smoothly in those days; I say smoothly because I don't mean that we didn't have our ups and downs, but much more smoothly than you see today. [Now there is] bickering and fighting and things on the floor that you've never seen before.

SENEY: Do you think the leadership, recognizing the importance of the committee, knowing they had to balance out the interest in the state, that it was going to be a large committee; tried to put people of quality on it because it was such an important committee? Was there any effort, do you think, to do that?

LUNARDI: Well, I think the way that the committee was put together--if I recall--there was more central state, and southern state representation on the committee than there was northern California representation. It was closely balanced, but not balanced overly for the northern side; otherwise you'd never gotten any bills out. The balance would be to have more [toward] southern representation than northern, so the bill could get out. I couldn't stop the Porter-Burns Act.

None of us on that committee from the north could stop it. They did have the votes, but they didn't push that. They had extensive hearings; they didn't shove it through or steam roll it through. They made sure, though, we had long hearings on every part of that issue and it was well done; I had no complaints.

SENEY: It sounds to me like you're saying that there was no more important issue at the time in California, one that causes more controversy among the sections of the state.

LUNARDI: Right. The death penalty was a big issue but that was an emotional issue. That was a different issue.

We had a lot of education programs put through in those days; we were very strong for higher education; we really put a lot of money into those schools in those days. In those days it was about 50 percent--I think it was about 50 percent--we had a strong commitment to education in those days. I don't think I ever voted against an education bill; well I did, I think, on Jesse Unruh's bill. I forget all the details, but it was a complete reorganization of the school

districts. It would have severely affected my little towns. It helped L.A. and big cities.

SENEY: It forced consolidation of the school districts.

LUNARDI: That's right. I went against that. I went against that. But anyhow, I think the water bond issue, the Burns-Porter Act, was one of the most massive pieces of legislation during the Brown [Sr.] Administration.

SENEY: Do you think it was well handled by the legislature?

LUNARDI: Absolutely. Even though I opposed it, I think it was very well handled, very well handled. Everybody had an opportunity to understand it. It wasn't ramrodded through.

SENEY: Would you lay the good job for this at Brown's feet, Speaker Brown's feet?

LUNARDI: Speaker Brown, Governor Brown, the leadership of both houses, the leadership of both parties. I think it was well handled. The water program was not a party issue; the water program was a district issue.

SENEY: You'd find yourself agreeing with Republicans against the Democrats sometimes?

LUNARDI: Oh, sure. It had nothing to do with whether you were a Democrat or Republican, a Socialist or whatever you were; it had nothing to do with that. I don't think that the education programs that we put through had anything to do with that as far as parties were concerned. So a lot of issues that we had had nothing to do with party.

SENEY: Well, there was attention paid to regional interests. State college campuses were established in various areas of the state: rural, northern, central, southern, urban areas. It was the same with the University of California campuses that were added. Care was taken there, too, to represent sectional interests, wasn't it?

LUNARDI: We did a tremendous job; the members of both houses and the members of both parties did a tremendous job in the field of education in those days. That's one of the things I was very proud of. That's the nucleus of continued success and prosperity for the country and the world, you know. But, then I think it was severely injured when Reagan was governor.

SENEY: The educational part?

LUNARDI: Right. I think when this Berkeley thing started, you know.

SENEY: If we could get to that later, I want to ask you one thing. How much of your time did you spend working on the Water Committee?

LUNARDI: A lot, I can't tell you exactly. When I went to the legislature, Ralph Brown had me on nine committees.

SENEY: I have a list here: Fish and Game, Public Utilities and Corporations, Transportation and Commerce, and I guess I'm missing some.

LUNARDI: Fairs, Allocations and Classifications, . . .

SENEY: Those are the interim committees, I have them down as interim committees: Fairs, Allocations and Classifications, Fish and Game. You were also on the Joint Committee of Fairs, Allocations with the Senate, and Public Utilities and Corporations, also the Transportation interim committee and the Water interim committee, as well.

LUNARDI: But I was also on the standing committees.

SENEY: Right. But I'm talking about the interim committees.

LUNARDI: One day, in fact, I went to Speaker Brown and I said, "Ralph," I said, "do you realize you have me

on nine committees? I can't function on nine committees." He said to me, "Paul, go to the ones you can. You're a new legislator down here, and I want your people to know that you've got these committees to work on, and they're important to your district."

SENEY: He was doing something . . .

LUNARDI: . . . Politically for me . . .

SENEY: . . . Politically for you?

LUNARDI: That's right. That's exactly what he was doing because I finally told him there was no way I could function on nine committees. So he said, "Jump around as best you can, and get informed on these committees. I won't hold it against you if you can't meet at every committee." I was on the Allocations Board.

SENEY: What allocations?

LUNARDI: School allocations. I was on that. I was on a special committee there to allocate monies to schools all over the state of California. I was on a state allocations board for schools. So, I spent some time there, too.

SENEY: Well, water certainly was number one. How would you rate the other committees? Did you spend much

time on Fish and Game?

LUNARDI: Oh, yes. Fish and Game was big in my district with eleven counties. I spent two years on Fish and Game; I didn't want to get on again because it was a difficult committee. I'd never seen so many people that disagreed with each other on whether you should do a certain thing with certain game in California. I had all these fish and game sportsman's clubs all over my district. When I'd sit in and listen to them talk, they couldn't agree within their own organization what to do, I figured that I had a lot of other things that I wanted to do, so I didn't want to get on Fish and Game again in my second term. Pauline Davis, who was the chairperson, asked me why. And I said, "Pauline, I just don't have time to be on Fish and Game; I've got other things." I had the Water and a lot of other committees, and I travelled a lot in my district.

You know, a funny thing happened. I remember her telling me, she said, "You know, your sportsmen are really going to be mad at you." Those sportsmen never even thought a thing about it.

I had a couple of people ask me, "How come you got off Fish and Game?"

And I said, "Well, I was placed on other committees, and I didn't have time to be on Fish and Game." But I said, "There's no reason why I can't work with you on fish and game problems without being on the committee." They agreed, so it wasn't an issue at all; it wasn't a big problem.

SENEY: I think one thing people who don't know about these things don't realize, that the fish people and the hunting people don't get along with each other very well.

LUNARDI: No, no. Then it was a big fight always, between the sportsmen's clubs. In some areas in my district you had sportsmen's clubs that supported everything that the department wanted to do on fish and game. Then you had other clubs that were against anything that the Department of Fish and Game wanted to do. And I didn't want to be in the middle of this; it didn't make sense to me. So, I voted the way I pleased. On committee, I used to support the department when I thought they were right, and I used to support the sportsmen when I

thought they were right. But, I never got in trouble over it.

SENEY: Did you find the Department of Fish and Game was pretty politically sophisticated in the way it operated?

LUNARDI: Oh, yeah. They were a good department; I thought they were very well run. They were cooperative; they always came in with--in my opinion, I thought at that time--they came in with real important data, and they were sophisticated about it. They didn't just come in and say, "We would like to have this done." They would come in factually and put a report in front of me and say, "This is why we're talking the way we are, Paul, this is why we're doing this."

SENEY: Did you find that compared to other state departments that you dealt with, that Fish and Game was more adept at this kind of thing?

LUNARDI: Well, I think the Department of Water Resources was also a very, very up-front department; we had some good people working in that department. I never had a problem with department people. A lot of people [complained about] problem[s] with bureaucrats and things like that. Maybe the way

they approached it, I don't know, but I found that any time I wanted anything out of the [Department of] Health [Services] or Department of Fish and Game or the Department of Water Resources or the Highway Department [Division of Highways in Department of Public Works], I had tremendous successes with them. The Department [Division] of Highways did an awful lot for me. So, I can't argue that I was ever mistreated or used by any agency because that didn't happen.

SENEY: Well, I think it's often true these state agencies are very good at picking very able people to deal with the legislature. They know that that's important to them.

LUNARDI: Let me tell you why we're fortunate in California. We don't have nepotism in this area in this state, you know. When I went to other states during my political career and I saw how they ran the governments; a new governor comes into the state, and all of the cousins, the cats, the dogs and everybody else leave. We have a great system here. It's been here for many years. We protect our employees and top officials that work within these departments under civil service; they have a

job regardless of us in the legislature, in spite of us. And I'm going to tell you something, it is so important to have that talent, and that's why you have to make sure they're paid a salary comparable to industry. It's the same thing with professors at universities, for my money. I always said professors at universities were never paid enough.

SENEY: We like to hear that.

LUNARDI: And they never were. And they aren't today.

There's areas that I'm very conservative about, but in those areas I'm very liberal. I've always said that salaries are very important. You get talented people that will qualify for those salaries. If the salaries are big enough, you have to be qualified or you can't handle it; they'll get rid of you. So, that's the important part of those things, maintaining good salaries and encouraging new talent. We have it in California; we're fortunate. You look at these other states; it's amazing what they do. It boggles my mind; I don't know how they operate. There's very few people that you have there that have any tenure of any significance. I think it's

changing now, but in those days--like in Harrisburg, Pennsylvania--I couldn't believe it. In those days Democrats and Republicans wouldn't have breakfast together. I didn't understand this. I said, "What do you mean you don't have breakfast together. Don't you talk?"

"Yeah, but we don't have breakfast or lunch together." That was their system then.

SENEY: What about our Public Utilities and Corporations? Did you spend much time on that one?

LUNARDI: Yeah. I spent a lot of time on that. Of course, it was a variety of issues that came through there, even Hollywood. We went down and were talking about pay television, believe it or not.

SENEY: Well, do you remember, at that time was there was a statewide initiative that banned pay television?<sup>1</sup>

LUNARDI: I think that is right.

SENEY: Cable had actually been laid in some parts of southern California.

LUNARDI: That's right. I can remember the testimony; some of these movie stars, both male and female, that testified that day were kind of unknown, but they

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<sup>1</sup>Proposition 15 (1964).

played small parts. This was where they were looking for work. I mean, they were suffering. So pay television would have really given them another source of income. Nothing ever happened in those days.

SENEY: Well, the theatre owners were opposed to it.

LUNARDI: Oh, yeah.

SENEY: Movie companies . . .

LUNARDI: Oh, everybody was opposed to it.

SENEY: There was a real feeling that this would destroy television.

LUNARDI: But, you know, when I was down at Paramount Studios that day, they had all of the prototype mechanisms put together to trigger it. We saw all of those things in those days. Of course, I wasn't too familiar mechanically as to how they operated. But they were coin operated and everything else. They had all kinds of things down there. It was very interesting to see.

SENEY: That was before the Public Utilities and Corporations Committee.

LUNARDI: Yeah, that was in interim hearings. Now this is going back to interim hearings, when we really went into interim hearings. No legislation was

ever put through. Then we had a lot of public utility issues coming through that I don't even remember now. We had utility districts bills that I recall. Even Randy Collier had one bill--I forget even what it does now, but it did affect my counties--which I didn't support, and it was killed in committee.

SENEY: Well, you would consider this to be an important committee, certainly.

LUNARDI: Oh, yeah. Public Utilities and Corporations was a very important committee. A lot of legislation came through there, dealing with public power and issues like that, that I was involved in in Roseville. I was very cognizant of the fact that I didn't want anything to deviate, or disrupt the public utility municipalities of the state. Though I wasn't out to hurt public enterprise, either. Those were issues that would float in and out on legislation. You had to sort of decipher where that was, you know.

SENEY: Some of the bigger players politically in the state--the utility companies themselves, Southern California Edison, PG,&E--would all be involved .

. . .

LUNARDI: Oh, absolutely. You had SMUD [Sacramento Metropolitan Utility District]; everybody was involved.

SENEY: Today, an appointment to this committee would be considered to be . . .

[End Tape 3, Side B]

[Begin Tape 4, Side A]

SENEY: . . . some have to do with airline schedules, and state regulations of service of the schedules of interstate air carriers. That struck me as maybe an important thing. Do you recall that?

LUNARDI: I don't recall the details of that.

SENEY: Maybe it wasn't so important then. It seemed as though it might be an important matter.

LUNARDI: They were talking about deregulation in those days?

SENEY: It only indicates here, regulation of interstate air carriers, committee working papers and background information. Then some transcripts of hearings that were held on the air carriers themselves. There were boating safety matters that were . . .

LUNARDI: . . . Boating safety, yes. Boating safety I recall. Now there is a possibility. . . . You

see, I wasn't able to go to all interim hearings. I could have been on an interim hearing on water at the time. They were having an interim hearing somewhere else.

SENEY: Right.

LUNARDI: There were a lot of detailed studies concerning airlines and transportation, and the pricing of natural gas; I don't recall the details or the background of that. What was that other one you mentioned?

SENEY: Boating, and . . .

LUNARDI: Oh, yeah. The boating thing. You see, I was the one that eventually put legislation in to put a license number on all boats. Boating people came to me and asked me about that.

SENEY: When you say boating people, was this people selling them wanting a license?

LUNARDI: Basically, those that were selling them were supporting it, and also those that owned them. There was a lot that owned them that didn't think they wanted to pay the fee for it. So I had a little problem with some of those. What was happening was, somebody stole a boat and nobody had any record. And the other thing is, we felt

there had to be some regulations because more people were buying more boats. That was in the recreation area. There were different opinions as to how it should be done, and so finally we put that program through. There was opposition to it from some voters.

SENEY: Another committee you served on was the Transportation and Commerce Committee.

LUNARDI: Well, of course, I had about 5,000 miles of highway in my district and a lot of access roads that I talked about, for recreational purposes. We always worked on the Master Plan for State Highways, which was always the big, big program in transportation, and it is today too. So, that was a very important committee for my district.

SENEY: I take it from the Master Plan the question would be expanding the state highway system and getting the state to take over some of the county roads, which would mean that maintenance responsibility and care of those roads would go to the state, relieving the county of those responsibilities.

LUNARDI: That's exactly what I did on the Truckee shortcut. That was one of the things that we did. Also, after putting Bodie [State Historic Park] in, I

tried to get a better access road into Bodie; it's a very, very bad road in there. Of course, I quit the state senate before I got into that. It's never been done, and maybe nobody wants it done now; I don't know. But Squaw Valley highway was completed before I became a member of the legislature. However, when the Olympics were being held at Squaw Valley [1960] prior to them being held, I walked into a buzz saw. They needed another million dollars in order to get the Olympics going, and that was a real controversial thing for a freshman to come into the legislature and start handling immediately. I got that off the floor. That's because there was no argument--regardless of the mix-up--about the amount of monies necessary to put on an Olympics in Squaw Valley. We had the world at our feet, and we weren't going to be sitting there being embarrassed over a million dollars needed to trigger a good event. It would have been a disgrace to us.

SENEY: That was a very important event for Tahoe, wasn't it? Didn't that put Tahoe on the world map, and that whole Squaw Valley ski area?

LUNARDI: Oh, absolutely. Of course, [Alexander] Cushing, who's running that operation [Squaw Valley], he's the one that got the most out of that. That was a pretty pork barrel operation. You look at that thing and--I used to go up there quite a bit--we tried to run it, and politically you couldn't run it.

SENEY: How do you mean? A state agency?

LUNARDI: Well, Pat Brown had picked [William A.] Newsome [Sr.] to run that one portion of it, you know. But, that became a very bad political move, and eventually it was phased out. Newsome wasn't all to blame.

SENEY: And turned into private development?

LUNARDI: Oh, yeah. Of course, they made all the money. The private people up there are the ones that made all of the money, and the state lost money. We had a good Olympic Games. Compare the costs with what transpired at that time and the publicity it received. Alex Cushing was the one that--I think Alex was his first name . . .

SENEY: . . . Yes, I think so.

LUNARDI: . . . Was the one who made all the money.

SENEY: Is that the way these programs usually work?

LUNARDI: Oh, sure.

SENEY: The major committees I have are the Water, Fish and Game, Public Utilities and Corporations, and Transportation and Commerce as the standing committees. Now, you mentioned nine and when I looked through the records of the 1959 Legislature, the official records, these were the only standing committees I came up with.

LUNARDI: Those were the important ones, the big important committees.

SENEY: Were there any others that were important to you, that you wanted . . . ?

LUNARDI: Fairs, Allocations, Classifications. We originated that when I was in the legislature because we had so many fairs around.

SENEY: We're talking about county fairs?

LUNARDI: Sure. I had eleven, you know. I beg your pardon, I had ten. I had ten fairs in my district; Mono and Inyo [Counties] combined their fair, so I had ten fairs. When fair time came, all I did was go to parades and events and livestock auctions and judgings. Sometimes they had fairs within the same week within my district, so you can imagine how busy I was.

SENEY: And politically you had to be there, I'm sure.

LUNARDI: Oh, it was a great outlet for a politician. They always wanted you there; the exposure you got there was unbelievable.

SENEY: What were the issues from the state legislature's point of view that were worked out on this committee?

LUNARDI: The Fairs and Allocations? It was basically to see that they were maintained properly, that they were audited properly, and that they were run to the satisfaction of the district and the state.

SENEY: There was state money involved?

LUNARDI: Oh, sure. There was a little state money involved. They wanted to make sure that there was some control. And all of the fairs were for it. In fact, I saw Assemblyman [Norman] Norm [S.] Waters appointed to that committee the other day. So, it's still functioning.

SENEY: Do you think that has anything to do with the close race he had this last time?

LUNARDI: I don't think fairs elect you or defeat you. It gives you a lot of exposure. I think that Norm Waters' district has become a little more conservative, even though Norm is very

conservative. I think what hurt him in that district, most of all, was Willie [L.] Brown [Jr.]. I don't think there's any question about that. I don't think there's any question about that. The campaign money and the way that he [Speaker Brown] conducts that house. The Republicans said they would use Willie as an issue against Democrats.

SENEY: That's certainly a popular perception, isn't it?

LUNARDI: He's a very bright man. Willie is a very, very bright man. I admire the guy, his ability. He's a very bright person. And he's broken Jesse Unruh's record; he's a Black. He's done very well for himself.

SENEY: There's a big difference between Jesse Unruh as speaker, and Willie Brown as speaker. That is, a lot of important legislation had Jesse Unruh's name on it. Willie Brown really, as speaker, has not sponsored much legislation.

LUNARDI: He's run the system, most of all. He's got some legislation, but nothing as big as Unruh. Unruh had, you know, the big tax bill, the Unruh-Petris

bill,<sup>1</sup> it was killed in the senate. [Senator] George Miller [Jr.] killed that one. I was on the senate floor at that time. A lot of education bills.

SENEY: The consumer credit bill . . .<sup>2</sup>

LUNARDI: He had the credit bill and so forth.

SENEY: The civil rights bill.<sup>3</sup>

LUNARDI: Yes, he's got his name on them. Jesse is a mechanized politician. I mean the guy--you got to give Jesse credit for one thing. Jesse was very interested in helping the people. And if you notice, it's always been in that area that he helped. Credit, like you mentioned, and the school systems. There's another big issue that he involved himself with. Jesse was a promotor; he knew how to take care of the legislature, and he knew how to make it work. He was at the front of

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<sup>1</sup>A. B. 2270, 1965 Reg. Sess., Cal. Stat., Called for changes in the tax law, shifting property tax burdens away from senior citizens and businessmen, increasing state sales tax to finance a cut in local school taxes and adopting a withholding system for the state income tax.

<sup>2</sup>A.B. 500, 1959 Reg. Sess., Cal. Stat., ch. 201.

<sup>3</sup>Unruh Civil Rights Act of 1969. A.B. 594, 1959 Reg. Sess., Cal. Stat., ch. 1866.

legislation more than Willie is, so you're absolutely right.

SENEY: Let me read you something. It's along the lines that you mentioned, Assemblyman Waters who was hurt by Willie Brown. This is from May 23, 1963 from the [Sacramento] Bee, it's Jackson Doyle's column. The headline is, "Unruh's Image Dogs Democratic Candidates" and it quotes you:

Former Assemblyman Paul Lunardi, Democrat of Roseville, who stepped up to the Senate November 5, the first legislative bi-election since last summer's rancorous special session, said his Republican opponent, "played the Big Daddy issue very big." Lunardi squeaked through in the strongly Democratic district, but said, "There is no question that Unruh lost me votes. I think every Democratic candidate in the state will have the Unruh issue straddled around his neck at election time.

LUNARDI: That's right, because he had the big daddy image. At that time I was running in a special election. They had run Frank Sevrens against me; he was the publisher of the Roseville Press Tribune. He was always my supporter, by the way, prior to this election. He was the one who started to use the big daddy issue against me. Consequently, it had to hurt.

SENEY: How did you counter that?

LUNARDI: Well, I just indicated that I was running for the

LUNARDI: state senate; that Jesse Unruh was not involved in my campaign, nor had I received any money from Jesse Unruh. All my contributions were coming from a district level, from representatives in industry, from the CSEA [California State Employees Association] and the schools. I said, "This is where my help is coming from, and I am not taking any money from Jesse Unruh at all." He had offered me money, but I wouldn't accept it. Consequently, that's how I countered it. But let me explain to you why I almost lost that election, and why it was so close. There was a good reason for it, and that wasn't the reason. The reason that I almost lost that election was very simple. There were two elections in California. One was Mayor [John F.] Shelley in San Francisco. And one was Paul Lunardi, in the special election in this senate district, which comprised Sierra, Nevada and Placer Counties. What happened was, Pat Brown told me that he was going to call the election at a certain time. I said, "Gee, Pat, don't do that because that's winter time and that's really a rainy season time. It'll be snowing in the mountains at Lake Tahoe and all those areas."

Getting Democrats out is pretty tough. Don't give me that time."

Pat says "When do you want it?" I forget what date it was. What date was that?

SENEY: It was November 5, 1963.

LUNARDI: OK. So I said, "Let's have it November 5 before the real rainy season, before it really starts heavy," because we had to have it soon. So what happened was that all of the Republicans had figured--they had what they called the Republican Task Force in those days--that they had defeated Shelley in San Francisco, so they transferred all the buses, all the way from San Francisco, and brought them into my district. They went precinct to precinct, poll to poll, picking people up and bringing them to the polls. That really created a big problem for me.

The campaign against me was very simple. He was hitting me on Jesse Unruh, but the rest of the district wasn't. The other workers for Mr. Severens were saying, "Paul Lunardi has got seniority in the California Assembly. He's on very important committees and he has done a tremendous job in this area, and we have no

complaints about his background and successes. We should keep him there and get someone else in the senate and make sure we have at least some control of the budget in the senate." That was the issue, and that was the way that they ran the campaign. So I had a hard time rebutting . . .

SENEY: Good thinking on their part.

LUNARDI: Oh, absolutely, smart campaign. In fact, the guy that ran it was Kirk West, a good friend of mine in Sacramento, [Laughter] who I know real well. He is head of the chamber of commerce now. We're great friends. We laughed about it after. He was paid to do the job. [Laughter]

SENEY: That would be hard to rebut.

LUNARDI: Oh, yeah. I couldn't rebut it. I was defenseless. They were complimenting me, they weren't condemning me. That was a tough issue, but regardless of that the reason that my votes were so close and that Frank Sevrens received such a good vote against me at that time, it was the worst storm that we had that year. When I woke up that morning on election day and looked out my front window, I could not see the concrete. It was raining so hard. The storm in Lake Tahoe was

was just unbelievable. We had snows. If you go to the weather charts of that year and look at it, you'll see what I'm talking about. It must have rained two inches of rain here. The Republicans had these buses, and they were out getting all of their Republican supporters, and bringing them to the polls. That's why the election was close. In fact, if it wasn't for the Republicans in Roseville, which was the biggest city, I would have lost the election. I got more Republican votes in Roseville than he did, and he lived here, too. I had press support in all three counties, and he didn't and he owned his own newspaper. So I had that support. What really hurt me in that election was the climatic conditions.

SENEY: Well, that's true for Democrats. Democratic voters are very reluctant to go out in bad weather.

LUNARDI: Yeah. But then after that I had big votes. Next time I came up for election for the senate, I had no problems.

SENEY: That's interesting.

LUNARDI: But that is exactly what happened to that election, what brought it that close. Even though

he used Jesse Unruh in that, that didn't affect me personally. I mean, the people out there didn't buy that issue too strongly.

SENEY: Are there any more comments you want to make about the committees you worked on? That is where the bulk of the work of the legislature goes on.

LUNARDI: Yes. The committee process was very strongly upheld, and nobody deviated from that. There were times that somebody couldn't get a bill out; I'll give you an example if I can remember the issue. Carley Porter opposed me in a Water Committee on a water project. I can't remember exactly the details of it, but let me tell you what happened, because it is not important at this point.

SENEY: All right.

LUNARDI: Carley Porter agreed as chairman of the committee, got up on the floor [of the assembly], and agreed that I be allowed to hear this bill as a Committee of the Whole. In view of the fact that he didn't think that I'd had a fair hearing in that committee. But the chairman had to do that. I heard the bill, and I got it out. I'm sorry that I can't remember the details of that piece of legislation. That was one instance, but nobody

deviated from the committee system, neither in the senate or the assembly. In those days, there wasn't mandatory roll calls either. In the assembly we did have quite a few roll calls. In the senate we didn't have too many. Then they mandated the roll calls.

SENEY: And recorded the votes.

LUNARDI: And recorded the votes. Right. The chairman of a committee in those days was a lot more powerful than the committee chairman today. They really ran those committees. The committee system was strong. Without the committee system nobody gets a break; the people don't get a break. Nobody gets a break.

SENEY: I take it, it would be very unusual for the floor to vote differently than the committee recommendation in those days.

LUNARDI: Oh. They'd do that all the time. Regardless of what the committee did, the floor vote was absolutely independent of the committee. It was very helpful that the members would say, "Well, this passed out of the committee without any dissenting votes." Or, "This bill passed out of the committee with a very narrow margin." Those

were the ones usually that were tested. Once in a while you'd get some opposition, but not normally.

The other thing that we had--which we started and still have today--we had what you call a consent calendar. Saves a lot of time. Non-controversial bills that don't affect anybody, only for the purpose of taking care of things, maybe district bills or something like that, they're voted on all at one time. But any member can take any one of those items off the consent calendar and have it heard on the floor. So, before you voted on the consent calendar, you made sure that there wasn't a bill there that you didn't like. You had to be very careful there.

SENEY: And the consent calendar would be determined by the Rules Committee?

LUNARDI: The consent calendar would be determined by the committee, the policy committee. The policy committee says, "You want to put this on consent calendar, there doesn't seem to be any problems or any controversy." Then it automatically went on consent calendar, at the recommendation of the policy committee. That's how it was done.

SENEY: All the legislation does ultimately flow through the Rules Committee.

LUNARDI: Right. So every committee that had issued consent calendar recommendations that would be put on the floor, go through the First, Second, Third Readings. The Third Reading they'd call each bill by reference and get them all off the floor with one roll call vote. It saved a lot of time.

SENEY: Let me mention some the legislation that had your name on it. Now on some of the legislation your name appeared with lots of other people.

LUNARDI: I was a coauthor only then.

SENEY: Right. A lot of those had to do with election changes. There seem to be . . .

LUNARDI: . . . I never carried election bills.

SENEY: Well, normally the number of cosponsors would be almost consistent with the number of Democrats in the assembly. There seemed to be quite a number of election bills [in the 1959 session] that were passed having to do with changing the rules now that the Democrats were in power. Could you recall any of those . . .

LUNARDI: . . . No.

SENEY: . . . election laws?

LUNARDI: The only one I can recall is the repeal of the cross-filing one. That was a major one.

SENEY: Are you aware . . .

LUNARDI: . . . Because, you see, they have bills in every year changing election laws.

SENEY: Right.

LUNARDI: There wasn't a session go by that elections laws weren't. . . . Both parties would have bills in.

SENEY: Were you aware that in the last few years of cross-filing, that the Democrats actually did better in cross-filing than the Republicans did?

LUNARDI: Yeah. They did.

SENEY: They won more seats as a result of that.

LUNARDI: Right.

SENEY: Cross-filing was a great peculiarity of California law.

LUNARDI: Yeah. And it saved a lot of money.

SENEY: [Laughter] I suppose it did. Didn't it?

LUNARDI: Well, sure. Because if you're going to lose an election, you are going to lose anyhow. I think the elimination of the cross-filing made you more receptive to the party philosophies. That's what it did. If I had had cross-filing after I was elected, I'd have never gone to a general. I'd

have been elected in the primary.

SENEY: But it ended in 1959.

LUNARDI: When I first went in. That's exactly true.  
During the primaries I was never challenged.

SENEY: There were a number of bills that had your name on them as cosponsor, and then there were a number that had you as the prime sponsor. They seem to break down into several areas. One was water. You had your name on a lot of water bills, both as cosponsor and as the primary sponsor. When they particularly related to your district, then you tended to be the primary sponsor on them. Another area that kind of surprised me, considering your district, was a lot of things having to do with the vehicle code. One on classifying driver's licenses.<sup>1</sup>

LUNARDI: Yeah. I did that. Truck driving.

SENEY: Yes. Right.

LUNARDI: It had never been tested in the state of California before. It never had been tried. It became a national bill, really. Every state started to classify truck drivers and different

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<sup>1</sup>A.B. 2229, 1961 Reg. Sess., Cal. Stat., ch. 1615.

rigs that they drove in.

SENEY: And these were bills that you often carried because the Department of Motor Vehicles would bring them to you.

LUNARDI: Right. [Albert] Al [J.] Veglia, who was the person who was killed in the Canary Islands when those planes crashed. . . . Do you remember?

SENEY: Right.

LUNARDI: He was a registrar over there at the time. He always used to come to me, he'd say, "I got another bill for you, want to carry it for me?" But he did most of the work, and it was mostly clean-up things. That bill they were talking about, as far as licenses are concerned, now that was promoted by teamsters. That was a teamster bill.

SENEY: They wanted that . . .

LUNARDI: They came . . .

SENEY: . . . to bring some order into the truck licensing.

LUNARDI: That's exactly right. Because what was happening was they were being highly criticized; there was truck drivers that were driving rigs they didn't have any experience in, and knowledge in handling

that type of a rig. So they put those classifications in to make to sure they were tested before they were ever operating those vehicles, those trucks. That's the reason for it.

SENEY: There was one I remember seeing that had to do with automatic transmission fluid. Do you recall what that was about?

LUNARDI: I don't remember that at all.

SENEY: Uh, let me see if I can find it here.

LUNARDI: Automatic transmission fluid?

SENEY: I should have looked it up before I asked you about it. Uh, let me see if I can find it for next time because we're nearly finished here. There's one on snow removal, Assembly Bill 2544, relating to snow removal. Now I take it this had to do with the Tahoe area . . .

LUNARDI: . . . Sure . . .

SENEY: . . . and the snow removal up there. And your role in that was to get the state to assume the cost of snow removal.

LUNARDI: That's exactly right.

SENEY: Was that a difficult thing to get the state to do?

LUNARDI: Well, the state wouldn't move unless the legislature mandated it. And that's . . .

SENEY: . . . and you got it through the legislature. If I were a San Diego legislator, I would kind of wonder about that.

LUNARDI: Well, in those days we were a little more cordial about things like that because they understood, the percentage that didn't have snow. So if San Diego wanted something else maybe . . .

SENEY: . . . They might have beach erosion.

LUNARDI: Yeah, that's right. Paul Lunardi can help me on beach erosion or something; so it was kind of a trade-off thing that they did in those days. I think you see more controversy now than you did in those days on things like that. [Neither] Republicans nor Democrats went out and tried to hurt a person in the other party, on his legislation in his district, just to make him look bad because he was in the opposition party. We didn't do those things in those days. A little different than maybe they are today. We didn't as Democrats go into a Republicans district and try to get him defeated. We didn't do that. We let the districts handle that. Now they do that.

SENEY: Yes. They do.

LUNARDI: We didn't do that. We had a different political congeniality than maybe they have today. It's changed. It's tremendously changed. I remember when I'd give a speech in another man's territory--I would be asked to come down and give a talk against or for some legislation--I'd always check with the senator or assemblyman of that district and say, "Now what don't you want me not to talk about?"

[End Tape 4, Side A]

[Session 3, March 24, 1989]

[Begin Tape 5, Side A]

SENEY: Good morning, Mr. Lunardi.

LUNARDI: Good morning, good morning.

SENEY: I wanted to read to you from an oral history interview with your friend Gordon Winton, about the speakership fight between Gordon Winton and Jesse Unruh in 1961. This has to do with Carlos Bee who was the speaker pro tem. When we talked last time you indicated that Carlos had had the votes to become speaker. I want to read to you what Mr. Winton says:

As I understand it--and I'm sure that this is correct--that Unruh said to him, "Carlos, you like the prestige of being speaker pro tem, you have a nice office and so on. You are not going to win, and if I win and you keep running against me, you will not be speaker pro tem." And Carlos dropped out.<sup>1</sup>

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<sup>1</sup>California State Archives State Government Oral History Program Interview with Gordon Winton by Enid Hart Douglass (Fresno & Merced, California, 1986-7) p. 118.

LUNARDI: Well, I believe that probably was said, although I did not witness that conversation. However, it was a consensus of opinion of the Democrats on the floor, with the popularity that was generated through the Brown administration, the [Ralph] Brown speakership rather, I should clarify that. When Carlos was president [speaker] pro tem, his popularity was so high with the members of both parties that there was no question in our minds that if he pursued it, he would have gotten the speakership. I think that he was talked out of it by Jesse who cleverly indicated to him that he didn't think he had the votes. That's a possibility, and I think that's where Carlos probably showed a weakness by not, first of all, pursuing it strongly. [He] wasn't the mechanized politician that Unruh was. He was more a compassionate person; he liked everybody, and he didn't like to alienate people; so, consequently, that showed a weakness on his part as a speaker. So maybe he would have been a great speaker, or he might not have been a great speaker; but I'll say one thing for Carlos, if he had been speaker he'd have had the greatest cooperation of both parties

LUNARDI: on that floor.

Because it was after Jesse Unruh got elected as speaker of that house that the relationship between the parties, on the issues, started to deteriorate; that's when we had the big, big problems. We had the big fights on the floor, trying to get the budget passed, and if it hadn't been for the majority Democrats that we had on the floor at that time, there would have been some real serious problems getting the budget out. The reason for that was because Jesse had a tendency to alienate the other party, and also some members of his own party; he was a tough in-fighter, and he ram-shotted things through. Those that were close to him, his lieutenants, did a lot of P.R. for Jesse at that time and successfully. Jesse became a very popular politician in later years, but during that period he was very controversial. At that time he was very fat, obese. So they tagged the "Big Daddy" thing on him. That bothered Jesse, because Jesse had feelings too, like everybody else. And that hurt Jesse. After a few years he realized that he had to do something about it, and so he started exercising

and dieting and he got down to a very trim weight and was looking very good. He maintained that for quite a few years and then he sprung back; he went back again into losing that weight.

He put the legislature together. The staff personnel that they have and the fringe benefits the legislators have today was credited to Jesse Unruh. He took care of his people in the legislature. Now it's becoming very controversial because it's getting out of line and the old pendulum will eventually swing back where there will be some demands and reforms as to those benefits that were given through Jesse. If the people demand them. If the people don't demand them, then nothing is going to happen. So, consequently, that's about where we are with Jesse Unruh.

I think that one of the biggest mistakes that Jesse Unruh ever made was when he locked up the legislature, and kicked all of the Republicans off those committees.

SENEY: This is a very controversial and interesting point about Unruh's career. He even admits himself that after that 1963 incident, things went downhill for

him. Could you give us your perspective on that and fill us in on what went on during that incident?

LUNARDI: Well, the best I can recall was. . . . I forget exactly what generated it. Everybody was late that evening and people were trying to get legislation out. They had a caucus, and I can't exactly recall what the issue was.

SENEY: It had to do with the education part of the budget and how much money was going to be given to local school districts.

LUNARDI: And there was a fight between the Reps [Republicans] and the Democrats on that issue. I think the one that was at the center of that would probably have been the Republican, [Assemblyman John L. E.] Collier. Bud Collier, because he carried a lot of legislation. He could have been one of the people that was . . .

SENEY: According to former State Senator James Mills' book, this had to do with the fact that the Democrats wanted to give some extra aid to poorer school districts. The Republicans demanded to see those school aid figures. The Democrats were reluctant to show them to them because it would

have shown how this allocation formula was working, and so the Republicans used it as an excuse to hold up the budget, that they didn't have these education figures.

LUNARDI: That's right. Now it's coming back. I had forgotten that incident. So, what transpired was that during the dinner hour Jesse, and it's indicated in Mills' book, had quite a few drinks. So, when he was at the rostrum that evening, it was quite evident that he had more of the beverage than he should have had at the time in conducting that sort of a situation.

SENEY: Can I stop you for a moment to add something else that Senator Mills said? We talked about Jesse's weight. Apparently he was taking diet pills at this time that had been prescribed to him, according to Senator Mills' book. Were you aware of that?

LUNARDI: Whatever happened, if he was taking diet pills, he should have known better than to drink. If that was the case; I don't know whether that's true or Mills just threw that in. I don't know where he got his evidence on that. He might be right and he might be wrong, I don't know.

SENEY: According to Mills, Unruh told him this sometime later, that he had been taking the pills.

LUNARDI: We'll say he did, but still he was very intoxicated that night.

SENEY: Let me put it this way. Did he seem to have less of his faculties around him? Did he seem to make more mistakes in this incident than he did at other times?

LUNARDI: Oh, sure. Because he was more brazen. He wasn't thinking clearly, as to the implications of it. The people he was putting on the spot on the floor, how he got the caucus to go along with this program was ridiculous. The caucus should have never allowed this to happen. I voted against the caucus. Tom, who was it? [Assemblyman William E.] Dannemeyer, who was a Democrat at that time; he's now a very conservative Republican in Washington, a congressman. Myself and [Assemblyman] Tom, [C. Carrell] were the three Democrats that voted against the move. Tom Carrell was an interesting, colorful assemblyman who owned an automobile agency, a Chevrolet agency.

LUNARDI:           Because I felt that this would be a real, real disharmony for the floor, because we had pretty fair harmony, I felt that this would be extremely disruptive to the Democratic party and their process. And I didn't think it was necessary. I personally talked to [Assemblyman Jerome] Jerry [R.] Waldie; he was the majority leader at the time. I walked up to him before I even voted and said, "Jerry, I want you to understand one thing. I will not abide by the caucus position on this issue, under these circumstances, under this atmosphere." And I went back to my chair and I voted against them on this issue, and they locked us up all night. If you recall, that was the big thing that happened. So, that's about the way I felt about that session. And it came back to haunt him from that day on. Nothing ran smooth on the floor when it came to monetary things, the budget or big money bills, we always had problems. And it was because of that factor that Jesse had lost that following.

          He had kicked people off [committees] like [Assemblyman] Alan [G.] Pattee, a Republican, and [Assemblyman Frank P.] Belotti, who were middle-

LUNARDI: of-the-roaders, who had come to me personally to lobby me against Gordon Winton, to vote for Jesse Unruh. These were the people who were his friends that he kicked off these committees, who became his enemies. So you can imagine the turmoil and the distrust that transpired after that incident; it was terrible. And then, of course, the papers ballooned the stories to such an extent that it was even beyond the seriousness of what they really were. The media exploded it, and they never let it go. He was an albatross around our neck for quite some time in elections. So, I think he hurt everybody, and he knew it. Because he was smart, and he knew that. Jesse would tell you when he was wrong, and he never lied to you. It's one of the great tributes that I'll always give Jesse Unruh. To me he was always very nice, and personable to me. I never had any problems with Jesse, personally. But he never lied to you. You never had to worry when Jesse said, "I'll oppose you on this or I'll support you on this." I could always go home and go to bed and say, "That's the way it's going to be tomorrow." I never had to worry about it. That was one of the

greatest tributes I could give Jesse Unruh. He was always up-front.

SENEY: How do you account for this? I mentioned that Mills said that maybe he was taking diet pills and that may have affected his judgment, but how do you account, apart from that . . . ?

LUNARDI: . . . I was not aware of that . . .

SENEY: . . . a serious tactical blunder on his part?

LUNARDI: I think basically Jesse was the type of person that thought, as speaker, that he had more power than he had. Regardless how much power you have, there's always limitations. And I think he had so much to drink at that time that it just made him even more brazen. I think if he had not drunk that night--and whether it was the pills that were part of the effect or not, I don't know--he would have been more rational and understanding. He would have thought out the issue a lot clearer, and the impact of this for the future. I don't think he would have made that mistake.

SENEY: Is there anything else you want to add about Jesse and his leadership? I mean, he was one of the most important speakers ever in the history of the California Assembly, and one of the most important

state government officials of this century in any state. Is there anything else you want to add about him?

LUNARDI: Well, I think Jesse Unruh probably is one of the smartest speakers we've had in a long time. They say that Willie Brown is a very smart speaker. He is a very smart speaker. Willie is a very brilliant man, and so was Jesse, politically. Jesse did more for California than Willie Brown, in my opinion. Jesse Unruh carried a lot of legislation which was beneficial to the state in the field of education, the field of credit, consumer protection, throughout the years. So he always carried a big program very successfully. I haven't seen anything that Willie has carried like Jesse Unruh has carried. Willie basically has been a political manager of the legislative process, in my opinion, and very successful at it.

He's being very much criticized because he's made a mint out of being Speaker of the California Assembly, and raising all these mammoth amounts of money, which has never been done. Even Jesse didn't raise that much money, I don't think, on a percentage basis. Jesse was smart enough to get

LUNARDI: what he needed, but was very careful as to how he did it. He didn't get the publicity that Willie is getting today. Of course, the media is different today, so you have take into consideration a lot of qualifying factors.

But, I think Jesse was a better speaker, even though I had a lot of problems with Jesse on occasion. I should say, a minimum amount of problems, because I didn't support him. But Jesse never hurt me in my district, never. With the exception of one district bill, which was not a district bill, Jesse and I never had a problem. The problem we really had was when I had the Agricultural Assessment bill put on the ballot.<sup>1</sup> Jesse was against me on that bill, but he couldn't stop me, even as speaker, because of the popularity of that at the time. The timing of that was very important. That constitutional amendment on Agricultural Assessment was very important in those days. Speculation by savings & loan and all these other financial institutions was taking up some of our prime land and the assessors were increasing taxes on this land

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<sup>1</sup>Proposition 4 (1962).

LUNARDI: because of the speculation factor. So I had to do something about that, and Jesse was against me. He was basically supporting the savings & loan people at the time. So I had a little battle on that. The first one I got on the ballot, it didn't pass. The second one, when I was in the senate, I passed it through the senate; it went through all of the committees. It was on the assembly floor and Assemblyman [Pearce] Young wanted to carry that piece of legislation. At the time he indicated to me that it would give him a lot of prestige in his district, and for that reason I gave it to him. But he lied to me. He was working with Jesse, and they didn't hear the bill on the floor before the session closed, and the bill, which was a constitutional amendment, never got on the ballot. Thereafter I quit the state senate and never pursued it again. But I worked that bill out of all the committees in the assembly, and Jesse had sent it to committees it didn't even belong in, and couldn't stop that bill, that's how popular it was. So, the only way he could stop it was to trick me. It was a God darn good trick. He got Young to carry the bill

and Young didn't bring it up. He gave me an excuse that it got bogged up in the last evening hours and we had to end the session. I said, "That's not true. You had plenty of time. This bill's been on the floor all this time. You could ask for special consideration; you had all the votes you needed to get the bill out." Then I thought, "Well, we lost it." It never occurred to me until about three months later that I had been had, and that's what happened.

SENEY: What were the specifics of this bill? What did this constitutional amendment do?

LUNARDI: Well, I originated the thought; what started me thinking about this was that I had agricultural land in my district. I'd been listening and we had hearings. I'd read about all these things that were happening. As a non-farmer I thought, "You know, this is important [protecting farm land on the urban fringe from high property tax assessments]." I'd been working with a lot of farm problems. I had all kinds of people in the farm community in my area.

I was at the [Democratic National] convention in 1960, when [United States Senator John F.]

LUNARDI: Kennedy was nominated for president. I was at the Knickerbocker Hotel and we were having a cocktail, just sitting around with some farm people, and some other people had seen me and asked me to come over and sit down. We were sitting there talking about this issue. And I said, "Well, I can't understand why we can't put a package together that would protect the taxpayer, at the same time reduce the tax rate to the farmer who's willing to become a farmer, and not a speculator. Why couldn't we put a ten-year contract into effect, but by constitutional amendment so they couldn't play around with it?" That would force the real farmer to sign a contract for ten years that he will be on that farmland, and he will develop that farmland as a farm. He will get a reduced property tax rate, established by the assessors. We can set up some zonings so that we can protect that, and then if they sell on speculation within the period of that ten years, they will have to pay back to the county the difference between what they're paying and the top market value at that time. I said, "Why can't we do that?"

I forget who it was sitting around the table. I think it might have been one of the Ag [Agricultural] Council people; I'm not sure at this time who that was, but he said, "Say that again." So I went back and said it again. He says, "Can we meet when we get back to Sacramento?" He said, "I think this is the answer." And that's how we put it together. We got the farm people together, we got some tax experts together, and we sat down. We worked on this for six months when we got back, trying to put a package together. And we put it on the ballot. Of course, [Richard] Nevins,<sup>1</sup> who is now, I see in the paper, getting \$130,000, \$150,000 retirement. . . . Did you see that in the paper? The Board of Equalization Nevins, you remember him?

SENEY: Yes.

LUNARDI: I just saw that in the paper, he's getting \$158,000 for a pension. He was one of the biggest opponents of my bill, from L.A. He said this would just absolutely cost the tax payers millions

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<sup>1</sup>Member, Board of Equalization, Fourth District, 1959-1987.

LUNARDI: and millions of dollars, to the household property owner, you know, which was not true. So L.A. and places like that, the urban areas, actually killed the bill.

The other problem was there was a lot of farmers in California that didn't even know what this bill did, never found out. So, they lost too, because they really didn't get out and support the bill like they should have. They thought they were being taken, some of them. The real knowledgeable farmers were for it, but there was some farmers out there that didn't like the idea. One of them was the [California] Farm Bureau; they didn't like the idea. They wanted the ten-year guarantee on the low tax assessment, but they surely were not happy with the fact that if they sold it for speculation, they would have to pay it back. And I said, "You can't have your pie and eat it too. This is one of the things that's going to be in that provision, and if you don't like it, that's fine. I can always say to the people on the other side of the spectrum that the Farm Bureau is the one that doesn't want this bill and could scuttle it." So they pulled their

necks back on that issue because I put it right at them so they couldn't back out. You can't have it both ways.

SENEY: But this never got on the ballot as a constitutional amendment?

LUNARDI: Oh, it sure did [Proposition 4, 1962]. The second one didn't. See, I came back with another one.

SENEY: The one that you explained was killed by Assemblyman Young's failure to. . . .

LUNARDI: Yes, that was the second one. I passed one when I was an assemblyman, and put that on that ballot [Proposition 4, 1962]. Then I went to the senate, and passed the one. It got to the floor of the assembly, and it died on the floor, as I explained. So we tried it again, and we did a little more work on it, hoping that we would generate a little more interest, but it never got off the floor.

SENEY: So, the first one got through the legislature, but the voters turned it down?

LUNARDI: The voters turned it down, right.

SENEY: Let me read you something else.

LUNARDI: But that is exactly, that is where the Williamson Act<sup>1</sup> came out of.

SENEY: That's what I want to get to now.

LUNARDI: See, the Williamson Act was not originated by [Assemblyman] John [C.] Williamson.

SENEY: It was originated by Paul Lunardi.

LUNARDI: The original intent was originated by me, right.

SENEY: And this is what Assemblyman Winton says in his interview. He gives you full credit for developing this idea. He says:

Paul Lunardi and I introduced what became the Williamson Act in 1963. Paul originated it and he was the lead author on it. He said he was from Roseville, a mountain area. He came to me and we talked about it. And he told me he would like to be on it with me and to help him because, he said, "You're a lawyer and I'm not and there are going to be a lot of questions."

LUNARDI: That's exactly true.

SENEY: And then he goes on to say:

So we appeared on it together, and we didn't get it out. But I thought it was an excellent idea to preserve prime agricultural land.

And he goes on to say that:

Then you took it to the agricultural committee and the chairman at that time was [Assemblyman John C.] Williamson, and Williamson asked if he couldn't put his name

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<sup>1</sup>A.B. 2117, 1963 Reg. Sess., Cal. Stat., ch. 1443.

on it.<sup>1</sup>

Tell me what happened.

LUNARDI: I said, "Sure, go ahead." I just kind of sat back after that and I just said, "Sure, go ahead." Because he was close to Jesse Unruh. Of course, a statute can always be changed, and this is one of the reasons why I didn't care to have a statute. I knew there was going to be a lot of manipulations in years to come. And it's been proven true. If you look at the Williamson Act when it was first introduced, and look at it today, it's completely different. There's been a lot of liberalizations; there's been a lot of changes made in it. And I wouldn't be surprised if you go over there [to the legislature] and find some more bills this session to amend the Williamson Act. I wanted the act preserved; if you wanted to change it, you had to go to the people to change it. I figured if you couldn't get it done that way, that it wouldn't be practical. I wanted it to work so that you would tie down the farmer and make him responsible as a farmer, and if he wasn't responsible as a farmer,

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<sup>1</sup>Gordon Winton interview, p. 156.

that he would have to pay back to the citizens of that area the difference in that market value. I was very emphatic about that; I felt that it was the only logical way to do it. You couldn't give them that much leeway and not lose by it because you're always going to have that element that's going to speculate. I don't care who they are. And I had to stop that from happening, so that's . . .

SENEY: . . . You know, one of the questions I wanted to ask you . . .

LUNARDI: . . . Does that make sense to you?

SENEY: Yes, it does. One of the questions I wanted to ask you was, what do you think was the most important contribution you made while you were a member of the assembly? Would it be in this area, do you think?

LUNARDI: I think that's one of the areas that I probably made a big contribution in. I think that I started the first water projects in our district with the first loans and grants under the Davis-Grunsky Act. I think Bodie was a big accomplishment, I think starting Malakoff Diggin's [State Historic Park] was a big accomplishment.

SENEY: Tell me about Malakoff Diggin's.

LUNARDI: Malakoff Diggin's was up in the Nevada County above Grass Valley. The Malakoff Diggin's had just been an old mining operation. It was quite an attractive area and there had been some homesteads in there. [Alvin] Al [S.] Trivelpiece, was a great supporter of mine who wrote stories from the Grass Valley area for the Sacramento Bee. Al called me up one day and said, "I want you to come up to Grass Valley, if you can, in the next couple of days. I want to show you the Malakoff Diggin's and I want to talk to you about it."

And I said, "Fine." So I made an appointment to go up there. And he had a lot of people with him. There must have been about fifteen people, all historians, and everybody else was all involved in the thing.

He says, "Now, Paul, we want to make a state park out of this." He says, "What do you think?"

I said, "Well, it makes sense. Let's work on it. It's a good project. We've got to preserve some of these areas that people are interested in." This was a very popular thing up there. So, I started, and we went to work on it. We tried to

LUNARDI: get some legislation together. You've got to work slow in these areas. Bodie took me two years to get out. I got involved in it, got it started; we had a lot of meetings. We had complications; we had homesteaders that lived there. We had to be careful because we couldn't take their homes away from them. In fact, there may still be some homesteaders there. I haven't checked it out, but they were going to buy up the property as they could, as people wanted to sell. Whether all those homes in that area are sold out now, I don't know. Then what happened was that I went into the latter part of my career and actually, [Assemblyman Eugene] Gene [A.] Chappie, who became the assemblyman in my district--took my place when I went to the senate--started working on Malakoff after I left. And then after that I don't exactly know what all transpired, putting that package together. But they got the Malakoff Diggin's Park, state park up there. I presume it is pretty well taken care of.

[End Tape 5, Side A]

[Begin Tape 5, Side B]

SENEY: You know you've mentioned the water projects in your district, and we really haven't been specific about those water projects. Could you explain a couple of them that you think are especially important? Or maybe a couple that especially illustrate the general improvement that you made in your district with these water projects?

LUNARDI: Well, we can start up with California Water Plan. After that fight, I started working on the Yuba County Water Agency. We put that together.

SENEY: What is that?

LUNARDI: Well, it was an agency set up by the [Yuba County] board of supervisors to protect the waters within the basins of that county. That was their function, to make sure that they had some strength with the legislative powers to protect the waters within the confines of that county. I worked on that. [Assemblyman] Harold [Thomas] Sedgwick was the lead-off author--I let him be first--and I was the coauthor on that, but I did most of the work on that. In fact, he almost lost the bill. We worked on it and got it back and put it together and set that whole Yuba County Water Agency up as it is today.

LUNARDI:           Then I was involved in the Camp Far West Project, which sits up there by Sheridan, just above Lincoln. That was the first water project in a recreational area that ever received any grants and loans by the Davis-Grunsky Act. That was a very historical event because this was the first time that northern California received money from the California Water Plan. It was significant, very important to the people in northern California.

          Then we worked on recreational developments within that area. I was not the originator of the Placer County Water Agency; that was put together by my predecessor. However, when they got into the water development and the building of the dams and reservoirs, I got into it. At that time we got involved in a very sticky issue, the Buy America Act. The Buy America Act had been passed by the legislature back, I think in 1947. It prohibited the state of California from buying any foreign imports of any kind for water projects. So we ran into a stumbling block. Because the generators and the turbines that had to be bought through PG & E, through General Electric or Allis

LUNARDI: Chalmers and Westinghouse, made the project completely unfeasible. So, consequently, I had to do some very fast legislative work to break that Buy America Act. Mind you, the senator from that area had put in a bill to break the Buy America Act<sup>1</sup> in the senate and lost it. So what I did, I turned around and politically tied it to the project of Placer County, instead of making it a general piece of legislation. That was the important thing and I think that's what he should have done. And I made him the coauthor of my bill, but he told me we'd never get it out, but I did get it out. It was passed right at the crucial time. Labor was opposed to me, General Electric was opposed to me, Westinghouse was opposed to me, California Manufacturing Association was opposed to me. I had all the big powers of California opposed to me on this piece of legislation. I felt real good about this because I felt this is one of the real big accomplishments of my legislative career. A piece of legislation that even legislators were saying

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<sup>1</sup>A.B. 820, 1933 Reg. Sess., Cal. Stat., ch. 270.

would probably lose ten to one. I wasn't too sure how successful I was going to be except that I really lobbied that bill personally. I went from member to member; I don't think there was any of the 119 legislators that I didn't discuss this with because it was so important to my county, where I lived also. So, when the bill came up in the senate, I passed it out of the committees and off the floor into the assembly. I got it through those houses; it was a big battle on the floor and it was passed. I remember [Senator] Hugh Burns saying, "I am going to vote for this legislation, so that Lunardi can get his project going in his own county." And he said, "I want to guarantee you that I will never vote for another piece of legislation to break the Buy America Act again." I remember that statement.

SENEY: Hugh Burns was a very influential legislator, wasn't he?

LUNARDI: Oh, very influential, I knew I had to have Hugh. I talked to Hugh for a long time. I said, "Hugh, look, this is very important, very important. You know, this Buy America thing is silly." I said, "You know you have the federal government which

LUNARDI: can buy all over the country; they can build a project in California and buy all their generators from Japan or Germany." I said, "Why can't we do it for this county?"

And he said, "You're right. We can do it." And that's how we got it out. I thought that was a big, big accomplishment because people talked about that. That maneuver that I pulled, getting that bill out of both houses, they figured was a great triumph for me to do that. We were close to losing the contracts because the contracts were up for bid and the bid had to be closed at a certain time. I forgot to tell you this. We had to move that bill out that afternoon and walk it across the assembly and get it to engrossment and enrollment so it would be ready in the proper form. And we walked it to the old governor's mansion and had Pat Brown sign it that afternoon. That evening at five o'clock, that was the deadline; I forget exactly what time we brought it in there to have him sign it, but it was in time. It was before five o'clock that evening; I think that was the deadline. That's how close that project was.

SENEY: And he didn't have any problems with this bill?

LUNARDI: No. No, no. He had no problems with that bill. He knew that we had to develop water in northern California. We're going to do it to at no expense to anybody but ourselves. How can you do this? You use all kinds of pleas, but it was a big fight. It was probably one of the toughest fights I've ever had.

SENEY: What did you learn from that fight about the legislature, politics? Anything you didn't know before?

LUNARDI: Well, I always learn. There's a statement that was made by [State] Senator George Miller, "If you ever think that you've got a corner on all the brains in this business, that you're really kidding yourself." I always remembered him telling me that. So I always made sure when I had a significant piece of legislation, that there were certain things that had to be done. I knew that the legislators were formidable people, and if you properly and factually placed the issues before them, they would support you. I had a good rapport. The legislators are very bright people. They didn't get there just from accident. They

LUNARDI: worked at it. They had good brains and got in there and they were able to be elected by the people. I'm not saying that all legislators are bright people, don't get me wrong. But they had to have some background or understanding politically to be able to be where they were, even though some of them got in and never lasted very long.

But the people were pretty smart. They know when to get rid of you, too. Never underestimate the public. I think that the thing you learn is that we've got a pretty good system in California. Even today, even though it's changed dramatically from what it was when I was in the legislature. But I've learned one thing about California; they are legislating so that the people understand what's going on because you have no secrets in this state like other states. You have open forums. There are no closed forums. If people don't know what's going on in the state of California, that's their fault, and not our fault, or those of the legislature's fault. They don't want to find out what's going on. In some states you never can find out what's going on.

California is very simplified on what's going on. Just inquire. I think Ralph Brown did one of the greatest things before he left the legislature was the Brown Act. The most significant piece of legislation to protect the general public against exactly what I'm talking about, not informing the public. They can be informed. They can learn all they want learn about the state government in California without any problem if they so desire, if they have the initiative and the willingness to do it.

SENEY: And that act also applies to local government, too.

LUNARDI Absolutely. It applies to everybody now. Right. You see, when they first started, it was the state. Then he expanded it into local government. And then I think it went into commissions. After a while it just started to branch out.

SENEY: Are there any other accomplishments you feel that you have in the assembly that you feel good about?

LUNARDI: I think I told you about working on the Truckee Shortcut, the highway. I put that through where the counties of Nevada, Placer would not have to worry about snow removal any longer. I also was

involved in the widening of King's Beach. It used to be a very narrow road through there, and we widened King's Beach. If you see King's Beach today, I was instrumental in putting that together. Throughout the whole Sixth Assembly District, I was involved in a lot of major highway development projects; some of them I've even forgot. I was very close to education. I don't remember ever voting against education unless it affected my school districts. Generally, I think I was always very supportive of most education programs. I did not support Jesse Unruh's program at that time because it was very detrimental to the small school districts. It eventually came about, but it took time.

SENEY: We talked about your senate campaign already, the fact of the Shelley campaign for mayor in San Francisco had an impact, the fact there was a weather impact, and so forth. One thing I didn't ask you about was why you decided to leave the assembly and run for the senate?

LUNARDI: Well, at the time that I won the assembly race in 1958 and Congressman [Harold T.] Johnson, the late Congressman Johnson, was elected to congress in

LUNARDI: Clair Engle's position when he [Engle] ran for the United States Senate. There was an opening in the [California State] Senate at the time, and it was a special election. I had no more won the assembly when they came to me and said, "There's an opening in the senate and you ought to run for it."

And I said, "Wait a minute, I can't do that. I can't justify that. I have people in other counties, all the way to Death Valley that have been working for me for four years trying to get me elected to this job, and there's no way that I would ever run in that special election. I think it would be a disgrace politically to even attempt to think about it." So I refused to run, and [State Senator Ronald] Ron [G.] Cameron was a lawyer up there and Ron Cameron ran for that office and won. He became a senator up until the time, 1963 or '62, thereabouts, Governor Brown appointed him to a judgeship in Placer County. In fact he retired from that position. That's when I ran for the senate in that special election, and I won that special election. Then eighteen months later I ran again because the time had expired on

that seat. I was elected for four years, but I only served two years of that time. I quit in 1966 and went to work for the wine institute. So, consequently, I didn't fulfill my full four years that I was elected to.

SENEY: Why did you . . .

LUNARDI: . . . Actually I served about three years . . .

SENEY: . . . Why did you switch from the assembly to the senate?

LUNARDI: Well, it was very simple. When you look at eleven counties at \$500 a month and you look at the travel time. I used to put 45,000 miles on my automobile every year, going back and forth through those counties. 5000 miles of highway, fifty-five members of the board of supervisors and I can't even remember how many school districts I had. It was awful nice to look at Sierra, Nevada, and Placer Counties [the senate district] where I could go in one day and cover what I wanted to and still get home that evening. When I'd go to Inyo [in the assembly district], and it'd take me three days to get home. You know, one day gone, and day working there, and a day coming back. So after serving five and a half years in the assembly in

LUNARDI: that district, it was sort of a relief for me to be elected to the senate and have only these three counties. Then what happened was reapportionment came by and our dear old Governor Warren, who at one time was completely opposed to the one man, one vote theory, decided as a Chief Justice of the United States Supreme Court that it wasn't fair. So consequently he changed the rules in the middle of the stream. When I noticed that I was going to go back to eight counties, I wasn't very impressed with that again. I just couldn't see myself going back, and at that time my first wife was very ill. So I thought it best for me to get out. I left with a news release indicating that unless the legislature was given a fair salary, that people couldn't afford to have anybody running for this office unless they were wealthy. And I thought it was a crime and a shame that that would happen. I wasn't a wealthy man; actually I think when I quit the legislature, I probably had less money in the bank than when I went. It was a sacrifice. Some people can make money at it, but I wasn't in that position. I just thought I'd better get out, to

LUNARDI: take care of my family and do something different, and look in a different area.

One interesting thing was that I had been on the ballot for seventeen and a half continuous years, from the time of 1950 to '66; it's pretty close to that, isn't it? I didn't realize how much pressure I'd been under because being in politics was a way of life. You accepted all of the tree plantings, the commitments to give speeches and the going to meetings, traveling all over the state of California, the interim hearings, and being in parades. Then all of a sudden, in three months my telephone stopped ringing. The pressure started to sort of lighten up, and I woke up one morning and kind of said, "If I had known I was under all of this pressure before, I don't think I would have stayed as long as I did." People in public office are under strenuous pressure, and I guess it just takes a certain kind of person to be able to accept that and live with it, and not know it's happening. I guess it takes that type of person because I wasn't realizing it happened. You get up in the morning--it's like you do--you get up in the

morning, you leave Lake Tahoe, you know what you have to do, and you do it. If you lived closer, you'd probably say, "Gee whiz, I don't know what to do with my time." So, it's a way of life; you do what you have to do. I'm not sorry I left now. I was offered the opportunity to come back when Speaker [Bob] Moretti was speaker of the house. They even offered me campaign funds to run for that senate district because they figured that I probably would be--knowing the district as well as I did and left with the reputation that I did--I would be the only Democrat that could defeat that incumbent. But, I told them, "I'm not interested; under no circumstances am I interested in going back into politics."

SENEY: That's interesting. Why would Speaker Moretti be interested in a senate seat?

LUNARDI: I beg your pardon, I said senate; thank you for correcting me, it was an assembly seat. That was it; Gene Chappie was in the assembly seat at that time, and he wanted me to come back and wanted me to run against Gene Chappie. I said, "No, I don't want to do that." I refused to do that. He said to me, "You're the only one that could take that

seat back."

I said, "Well, I'm not sure of that; a lot of time's gone by since I was in that area." Because, you see, if I recall, it had been many, many years since a Democrat had ever represented that area. It was a very conservative area. If I remember, it was over twenty years. I was very lucky I didn't have very much opposition when I ran in that district; it was just tokens. Every time I had opposition, it was token; it was somebody that nobody ever knew, or somebody that was in trouble with something. The Republican party never put anybody up of any significance, nor were they interested, I guess, and that's about the way it ran.

SENEY: I wanted to ask you about Governor Brown [Sr.] because he really crosses both your time in the assembly and your time in the senate. Tell me about Governor Brown.

LUNARDI: Pat Brown was a great politician. When he was district attorney of San Francisco, I think he was a Republican. The only thing I knew about Pat Brown in those days when I was mayor of Roseville was that he's the one that closed all the houses

LUNARDI: of prostitution in California. That was a big explosion in the papers, and he became very popular over that. I guess the timing was perfect. Like anything in politics, if the timing isn't perfect, it isn't worth anything. He became a very, very popular man, and then he ran for the governorship. If the Republicans hadn't made the error they did, Governor Brown would never have been governor of California. When they started shuffling chairs around and asked United States Senator [William F.] Knowland to run for the [governorship]--like they're asking [Senator] Pete Wilson now--and pushed [Governor Goodwin] Goodie [J.] Knight out, that was the end of the Republican party at that time. They lost all the seats. Goodie Knight could have never been defeated as governor of California; he was a very popular man, very popular.

Pat got elected in 1958, and did a good job as the governor of California. He's a very compassionate man, politically oriented. The only weakness that I know that Pat Brown had was that you always wanted to make sure that you were the last guy to talk to him; that was the old saying

LUNARDI: around here. But Pat was like an old shoe. He was the type of person that you could see him at anytime; there was never a closed door policy. You'd go in, and he'd smoke that cigar, and he'd throw his feet on the desk, and say, "Let's talk. What's going on? What do you want me to do?" He was very cooperative. He wanted to work with the legislature.

I worked very hard for Pat. When I was quitting in 1966, I went all over my district with him; I wanted to see him get back in there for a third term. Because it was very important to a lot of programs that were going on. We got a good educational program; we had a very progressive eight years; we had the California Water Plan. If you really look back into the Pat Brown years and that administration, a lot happened, a lot of changes were made, and good ones, too. I remember how they used to be critical of Pat Brown; they'd go after him in the newspaper, but still today, some people say he was one of the best. I say that today, even though he and I had a lot of differences of opinion.

He and I had a lot of differences of opinion in the Lake Tahoe area. He played the gambling thing all the time. Of course, we have people in Lake Tahoe that live not off of gambling, but live off of hotels on the California side. He was hurting those people, and I used to have to tell him, "Lay back on this; you're not going to change Nevada. That's their industry, and they're always going to have it. What you're doing, you're causing me problems trying to defend you in the Lake Tahoe area. And Pat, I can't defend you forever." It got to that point.

SENEY: He was opposed to gambling up there?

LUNARDI: Well, yes. He was always using that as an argument. I guess it was great down in southern California where all the population was. But in northern California it didn't go over very well. Pat did a good job as governor. Sure, he made mistakes; you've got to make mistakes in this business. If you don't make a mistake, you're not doing anything. The accomplishments that he had and did, he will go down in history as a good governor.

SENEY: How were his relations with the assembly? Was he a leader there?

LUNARDI: Sure. Yes, he was. You see, there's always that portion or element that you have on the floor that you alienate because you have certain bills, you know. There was always that political fight going on. I think if anybody did any damage to Pat Brown it was Jesse Unruh. I think Jesse Unruh crucified him as the governor. I'm not saying that Pat could have won that election [1966], but I'll tell you, it could have looked a heck of a lot better than it did because Jesse really, really didn't do Pat Brown very much [good].

SENEY: The 1966 election?

LUNARDI: Right. He was very critical in the press. He was always attacking him. He and Pat got into some big fights. It was because Jesse was maneuvering and wanted that lieutenant governor's job. He wasn't going to change [Lieutenant Governor Glenn M.] Anderson, and he couldn't change Anderson. There was no question about him wanting that second seat. He wanted that second seat so when Pat went out of here, he'd have a chance to run for governor. There was just no question about

that. Pat wouldn't listen to him, and that's when the fight started. That was part of it; that was a big part of it. Anderson was no flamboyant, powerful, up-front guy. They needed somebody like that, and I think if anything really hurt Governor Brown at that time, it was Jesse Unruh. I think time has already proven that.

SENEY: What about the Caryl Chessman case? There was a lot of feeling that that was damaging to Brown as well.

LUNARDI: Yes, I think that hurt him. I think the Chessman case was one that Pat handled very poorly. Of course, Pat was, he didn't believe in the death penalty. He indicated that his son [Edmund G.] Jerry [Brown, Jr.] was actually the one that made him go the way he wanted to go, but I still don't believe that that was all of it. I think Pat's own philosophies were along that line. I think that he shouldn't have tried to pursue the abolition of the death penalty as strongly as he did, and twisted as many arms as he did, and made as many speeches as he did on the issue. Then he turned around and went on a vacation out on a boat somewhere, if I remember, with the whole thing

coming to an end. They were trying to get him to pardon him, and I think he showed weakness there. It was an accumulation of a lot of things that are not really all clear in my mind, but that's basically what really transpired there. Chessman, there was a lot of hard feelings against this man. They say that this young girl is still in a mental institution and that he had placed her there.

Of course, lawyers have said to me that if Chessman didn't try to defend his own case, he would have never gone in the electric chair. I don't how true that is, but it's a possibility; I don't know.

[End Tape 5, Side B]

[Begin Tape 6, Side A]

SENEY: The Chessman case was controversial probably because so many in the public really favored the death penalty.

LUNARDI: That's right. At that time the death penalty was very, very supported in California. I can recall that Pat talked to me about voting for the bill; I wouldn't do it because I still believe in the death penalty, right or wrong. It's an emotional thing, whether it cures all ills. You can argue

LUNARDI: this for days, whether or not having the death penalty works. However, letters in my district were coming sixteen to one for the death penalty. I mean that's big. I can recall that figure; they were coming about sixteen to one for the death penalty out of my district, the eleven counties that I had. That was almost true all over the state of California. I had telegrams from Marlon Brando and Steve Allen and all the movie stars; they were writing letters and telegrams about protecting Chessman. But at that time I recall that Marlon Brando was being geared to play Chessman in a movie, which never materialized. So, it was a very, very emotional and very sensitive area of politics at that time. Pat got hurt a little bit, but that didn't cost him his election.

I recall somebody telling me that Pat made the statement, "Who ever wins that primary, it's got to be Ronald Reagan; he'll be easy to beat." That's exactly what he said, and that wasn't true. I don't know how you read people that vote for movie stars without political experience for a job like this. I can understand going into the senate

or assembly. And we have movie stars around here, not big ones, but we had character actors.

[Assemblyman Charles] Charlie [J.] Conrad was a character in a movie, still probably does some shows, I don't know. We had [Assemblyman Albert] Dekker, who was around here for a while, he committed suicide. But to be at the head of a state as big as California always boggled my mind. Not that I have anything against Ronald Reagan personally. But anybody, just because of popularity, whether he's a movie star or what he is, without any political experience, to be elected to any executive branch is interesting to me.

SENEY: There was another factor . . .

LUNARDI: . . . It just boggles me, but that happens. I mean, that popularity seems to be the criteria, instead of the facts. That always bothered me. Maybe that's the way I got elected and I shouldn't criticize it. [Laughter] Maybe it was because of popularity and not the facts. It always interested me that here's a man who became President of the United States. When Pat Brown defeated [United States Senator Richard M.] Nixon

as governor, I figured that that was the last you'd ever see Richard Nixon again. But see, the thing we didn't understand in California was very simple. Eastern people like Nixon. That's where the money was. California didn't have any money. We are more in that area now, but in those days California didn't have the money. I underestimated that. I underestimated that.

SENEY: There was another factor some people suggest worked against Brown's popularity and his reelection; that was the free speech movement at [University of California] Berkeley, and the beginning of the radical activity on the Berkeley campus.

LUNARDI: Yes. Mario Savio. I think that he created a lot of problems for Pat because Pat handled it very weakly, and didn't come out as forcefully as he should have probably. But he shouldn't have come out as forcefully as Ronald Reagan did, because he helped destroy the university. Not destroy it, but at least he put it back a few years. I think Pat was a little too compassionate with that demonstration. The reason he did it, I think, is because--there is one thing I know about Pat, he

LUNARDI: loved that university so much, and he could almost see it deteriorate in front of his eyes--he just didn't know how to handle it without making it mushroom into a bigger controversy. I think he just was at a dilemma as to what he could do to help that university and not destroy it. I think that's what really hurt him. When you sit back and try to think, what would you do in a situation like that? How would you approach it? it's pretty difficult to do when you had people who were not even on the campus that were coming in off the streets. They were acting like students. You had that infiltration of different types of people with different types of interests and motives creating a hassle for you, and you're sitting back here trying to determine how to handle it. It's very difficult. The way Ronald Reagan handled it when he first started out, was a get-tough policy which helped elect him. Maybe it had to be done to break it up. Something had to be done to break it up. It hurt the university probably, but maybe it had to be done. So I'm not going to be overly critical about that. I just don't know what else you could have done. When

people start to destroy an enterprise like that, you have to do something drastic, maybe, like they do. Otherwise they don't understand it. Maybe that's the answer; I don't know. I don't know how I would have handled it. I really don't. It was so confusing. You start using force, and then you get other students and faculty people that start to fight you, and all of a sudden, it is an erosion of a great institution. It was a tough, tough issue.

SENEY: In the Chessman example, and Berkeley too, there is the public perception of weakness on the part of Pat Brown. Was that an accurate perception as you knew him as a political leader? Or could he be tough?

LUNARDI: Pat could be tough. But that wasn't the Jesse Unruh tough guy. It wasn't in his nature. Pat was a very compassionate person. He wanted to help people. I've never known Pat not to want to help people. He was very, very compassionate that way.

SENEY: How about his relationship with the senate? Was that any different from the relationship in the assembly.

LUNARDI: He got along in the senate, but Pat sometimes had the weakness of not going really gung-ho on things--that made some of the members of the Senate kind of--he'd vacillate.

SENEY: Could you give an example of that?

LUNARDI: Oh, gosh, I don't know. Just different issues that might have come up, I can't enumerate them. The pulse that you'd get is the fact that they did get mad because Pat wasn't more aggressive.

SENEY: Was he tough on the budget? Would that be an example?

LUNARDI: Some areas. He wasn't like Governor [George] Deukmejian. He wasn't like that. Pat was more liberal than that. Pat was more on getting programs going. I guess Pat at the end, you know, maybe didn't use as much P.R. at the end as he should have. Like he did at the first, you know. That's always a fallacy of politicians. They start taking things for granted. Pat had problems with some appointments that sometimes alienated the legislators. Everybody would say, "The last guy that sees Pat is the guy that wins." That hurt Pat in both houses. That hurt Pat. I don't know how far that went. I had a few appointments

I was interested in, and I was pretty successful getting Pat to do it.

SENEY: When you say appointments you were interested in, what do you mean?

LUNARDI: Oh, some water appointments, on the Water Commission. A couple of judges I was interested in, he appointed them.

SENEY: Tell me about the appointment of judges. If they were in your district, did you have a pretty strong voice in who would be appointed?

LUNARDI: Well, yes. Pat would call you in and ask what was your opinion. I'd say, "What's the clearance thing look like?" If the [State Bar of California] bar association was for him, that was a good criteria. If the bar association was against them, you'd better take a look at it because all the lawyers can't be wrong. So I watched that very carefully. Then there was a time when both were good qualified guys, and so you had to make a decision. So I would support one of them, [William] Bill [E.] Byrne, who is a retired judge in El Dorado County, for example. In fact, he's working upstairs on [the] twelfth [floor], in this building. I went to bat for

Bill. The senator was for the other guy. I beat the senator out of it through Pat. I sat down and said, "These are the situations. You want a guy that's going to lose an election or a guy that can win an election? You don't want this against your record. This guy can't win. If you appoint Martin Barris, they're going to run against him and beat him." So that's how I won it. That's the way it was done.

SENEY: In Governor Brown's relationship with the senate, was there any difference given the fact that the senate would vote on his appointments?

LUNARDI: Oh, yes. All the confirmations came through there and I'm sure that there were some areas probably-- I can't recall all of them; it's been so long-- that there was a difference of opinion on some of his appointments. But I don't remember Pat having really drastic problems on confirmation. He had a good team. He had Frank Mesple, who had a great relationship with the legislature, both houses. He had Frank Chambers, who we used to say Pat should listen closer to. He was a great political strategist, very bright politician. He knew where all the bodies were; he knew the people Pat should



stay away from. The guy was just amazing. He was so good, and sometimes he wouldn't listen to Frank Chambers. We always criticized Pat for it. Frank was right; you were wrong, you know.

SENEY: You'd say that to the Governor?

LUNARDI: Oh, sure. And Pat would admit it. That was a good thing about Pat; Pat would admit it. I think I saw Pat angry maybe two or three times in the eight years that I worked under him. If he really got angry, I didn't ever see it very often, you know. He was always cooperative. I really didn't have a lot of problems with him.

SENEY: What about Hale Champion, his Director of Finance?

LUNARDI: Hale Champion didn't wear well with the members of the senate and Jesse Unruh. He was a very, very capable guy, a newspaper man. I recall he was kidnapped that time, very serious thing. It wasn't because Hale Champion was not knowledgeable and didn't know politics. I think basically it was Hale Champion's personality. I had no problems with Hale Champion. I liked him personally. His split personality didn't bother me, but it did some, I guess. He was pushy, and a guy in that position has to be pushy to protect

the governor. You get involved in a little problem there, sometimes, with certain members of the legislature. All in all, Hale Champion, I think, will go down as probably a pretty fair administrator for the governor and protector in that Department of Finance. But nobody wins in the Department of Finance. Who wins? Why would you want that job? How do you win? The administration that's in is going to have trouble on the other side immediately. It's a very difficult position to take and be successful at. I envy anybody that even wants the job. Or I don't envy anybody that wants the job, I should put it in that perspective. It's a tough job.

SENEY: Let me change the subject here, unless there is anything else you'd like to add about Governor Brown. This next subject is something that crosses both your service in the assembly and the senate. And that is your relationship with the lobbyists, any of them in particular, or anything you'd like to say in general about them.

LUNARDI: Well, the lobbyists in those days were no different than they are today. The legislature could not function without them. It's just like a

LUNARDI: person, like myself, being in the legislature, and being a professional in the education field. My God, if it wasn't for the education people coming in telling me what education is all about, within the structure of that piece of legislation, I wouldn't know what to do. Then I have to analyze as to what position I'm going to take. That's no different in education. That's no different in the wine industry. That's no different in the beer industry. It's no different in the agricultural community. There's a volume of professional people out there that are lobbying in every religion. Newspapers, the newspaper never says this, but you know they have a great lobbyist in Sacramento. He is a very effective lobbyist and a gentleman. He does a great job. I don't know of anywhere in the area today that somebody doesn't have a lobbyist. Cities, counties, everybody has a lobbyist. The basis for a lobbyist is to make damn sure the legislature is educated in those areas where they don't know anything. Gets back to what George Miller says, "Nobody has a corner on all the brains." The information you get from a lobbyist on a piece of

LUNARDI: legislation is invaluable, as long as they're an honest lobbyist, and as long as they are not telling you facts that are not right. If they tell you the true facts, it's invaluable. The lobbyists don't last in Sacramento that don't tell the facts, and the true facts. They just don't last here. They're gone very suddenly. They disappear off the horizon and rightly so. The papers can attack the lobbyists all they want, but without the lobbyists the legislature can't function.

Now they say, "Well, now we can do more because we have consultants now," where in my day we didn't have very many consultants. In fact, I had none at the time, except when I went to the senate, I had one. Actually I needed it in the assembly because I had eleven counties there instead of three. The lobbyists in Sacramento are still doing exactly what they did when I was in the legislature, trying to inform. Now as I get back to what I was going to say about the consultants they are hiring, when the legislator says, "Well, now we don't have to rely upon the lobbyists because now we have the consultants who

can go into these issues and work them out." Where do they think they get the information? The consultants get it from the lobbyists. Same people, except it's filtered through their consultant, instead of direct to the legislator. There is no other place to receive this information except from the particular industries that will be involved. Consultants will call me, when I was with the California Wine Institute, about how much is produced here, what the statistics are. Where do they get it? They have to get it from me. I'd call San Francisco and get a hold of our technician and say, "Assemblyman X or Senator X's consultant wants this kind of information about the wine industry. Would you put a brochure together or a format together on this issue and make sure he gets it within the next few days?" That's the way it's done. It will always be done that way. Always. It will never change.

SENEY: Who were some of the important lobbyists when you served in the legislature?

LUNARDI: Well, thank God I came here after [Arthur H.] Samish.

SENEY: Well, he's the most notorious, Artie Samish.

LUNARDI: And in all his brilliance, became the most stupid one. Well, there was Danny Creaton and [James D.] Garibaldi; Danny is dead now, but Garibaldi is still here.

SENEY: He's still an influential lobbyist.

LUNARDI: He's in his eighties, very influential. [David] Davy [W.] Oliver, he's passed away.

SENEY: What interests did . . .

LUNARDI: . . . Claude Minard has passed away.

SENEY: . . . did these people represent?

LUNARDI: Well, insurance. Claude Minard had the California Railroad Association; he's passed away. Dave Oliver was insurance. Danny Creaton represented industrial loans, the beer people, different cities. He was sort of a contract lobbyist, like Garibaldi was. Davy Oliver was strictly insurance. You had [Kent] Ken [H.] Redwine who represented the movies. He just died here a few years back. You had California Retailers [Association] [Vincent D.] Kennedy, he was a very, very powerful, popular guy.

SENEY: That's the father of the current justice of the [United States] Supreme Court [Anthony J. Kennedy]?

LUNARDI: No, no, no. It's a different Kennedy. [Anthony] Tony [M.] Kennedy was the father. His name was the same name. He was a prominent lawyer in town, very bright lawyer, who represented the Schenley's [Industries, Inc.], the engineering profession, civil engineering. He represented the tavern owners and some others I can't even mention now.

SENEY: Tell me about some of the contacts you had with lobbyists in the course of your, either senate or assembly, career.

LUNARDI: Water lobbyists, a lot of water lobbyists. We had all of these irrigation districts; all these people had lobbyists, you know. In the water field I was involved with a lot of lobbyists coming to talk with me because we were involved in water so much. The [California] Farm Bureau, the [California State] Grange, the Los Angeles Metropolitan Water District, all the irrigation and water districts of the state of California, they all had lobbyists or representatives coming to talk to you. The California Manufacturers [Association], California Taxpayers Association, you name them, and they came to talk to us. Especially, if you were carrying bills that

affected them. They would come in and indicate either they thought it was all right or they thought they'd have to oppose me, and they'd explain why. You listen and find out whether it was worth carrying the bill, or maybe they'd give you ammunition to counter them with. So, those are the things you had to weigh. But, to me, I learned a lot from the lobbyist, whether you were for him or against him. Sometimes you had to go against them; you can't be with them all the time, can't win on that one. If you're representing your district, you just can't do that.

SENEY: Were they then, as now, the primary source of campaign funds?

LUNARDI: There was no fund raisers then. We didn't have fund raisers then. Basically, if you were given a contribution from any lobbyist, it came voluntarily. They decided how much they were going to give you and decided who should get it. Outside of that, the fund raisers that I had were basically internal, within the district. Bean bakes, coffee klatches, different things like that, you know, that you would have in trying to raise money. We'd go to the fairgrounds and put

on a dinner, and we'd go and have all the politicians there. Everybody would speak, and whatever was left over you got for your campaign. We'd get money from the [Democratic party] central committees. We'd get money from the [Democratic] state and local central committees. There was never a time that I, like they do today, you know, send it [an invitation] to the lobbyist. We didn't do that in those days. At least I didn't. I don't think others did either. I don't recall that being done by anybody.

SENEY: You're talking about invitations to cocktail parties, fund-raising cocktail parties, by members of the legislature.

LUNARDI: Right. Now, there were lobbyists who put on dinner on a voluntary basis, but not solicited, that I knew of. And I can recall that lobbyists would put on a big dinner in Sacramento just to have all of the members of the legislature there, like they do now, both parties, not segregated. So that hasn't changed any. I think they had more then than they do now, because of Prop. 9<sup>1</sup> kind of cut it down. Yet there's no limitation on the

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<sup>1</sup>Proposition 9 (June 1974).

industry people doing it, or the education people doing it; it's not like a lobbyist; he can only spend ten dollars on a member, per month.

Industry people can spend all they want, which makes it kind of ridiculous. So, in other words, we're the bad guys, and yet I think the FPPC [Fair Political Practices Commission] has fined more legislators than they have lobbyists. I think it's two to one, no, more than that; I think it's probably about five to one. The initiative law that Jerry Brown put through was to get the lobbyists; actually they're getting the legislators. If you look at the record, you'll see that that's almost true.

SENEY: Let me ask you some more questions about the senate, the differences between the senate and the assembly. Tell me about the leadership in those days and the committee assignments and so forth that you received.

LUNARDI: In the senate?

SENEY: Right.

LUNARDI: Well, when I came to the senate, I came in in a special election, so all committee assignments were already established. They fit me into vice

chairman of water, Hugh Burns did, because I was vice chairman of water on the other side.

SENEY: Hugh Burns was then the senate president pro tem?

LUNARDI: That's right. And chairman of the rules committee, through recommendations, it was done that way. Because of my experience in local government, they put me on the local government committee. Water, local government committee, I was on finance and insurance over there too. I can't remember all the committees I was on, do you? Do you know them better than I?

SENEY: That's the list I have.

LUNARDI: That's how I started out. Then when I was re-elected and we'd come back, there wasn't too many changes made at that time. They were talking about putting me on the GE committee, Governmental Efficiency Committee, which is a powerful, powerful committee. That was the big committee of the senate, but I quit before I got on there. [Senator] Luther [E.] Gibson was my seatmate, and he was the chairman of that committee, and he said, "You know, next year we're going to put you on GE."

SENEY: Now my understanding of the Government Efficiency Committee, it was kind of a killer committee.

LUNARDI: It was a killer committee. If you had any weaknesses, that wasn't the committee to get on. You had to be tough and determined, to make sure that legislation they didn't want to get on to the floor was isolated into that committee. Not that they killed everything. There was bills passed out of there, but when it went to GE committee when it could have gone to another committee, you could almost bet the reason was to get rid of it. It wasn't a bad system. It took care of a lot of problems.

Of course, in those days we didn't have [party] caucuses in the senate. When we had a caucus, forty members attended the caucus, so that was the caucus. It wasn't a party caucus, I should stipulate. It was a club, and they worked it as a club. And when you had a bill that they didn't want on the floor, we had a caucus and they explained it to you, exactly why we didn't want that bill on the floor. And you accepted that.

SENEY: Did any of your legislation find its way to the Government Efficiency Committee?

LUNARDI: No, none of it. None of it ever found its way there. I was so busy working within my own district that most of my stuff was district stuff. I got into some bills, not a lot, outside of my district, maybe some interesting bills, I don't even remember. But, when you had a legislator who didn't have all of the little problems that I would have--water and highways, recreation and parks and all those projects--they would carry big controversial bills; those were the people that would find themselves sometimes in the GE committee. I never carried big industry bills. I never got involved in a lot of that. Most of mine was low-keyed stuff because I was so busy with my own district. I didn't have time to carry big, heavy industry legislation that could be real controversial, you know, big headline newspaper things, I never got involved in that.

SENEY: You know, as I went through the legislative histories in your period in the senate and your period in the assembly, there was far more legislation with your name on it when you were in the assembly than when you were in the senate.

LUNARDI: That's because I had eleven counties and I had, you know, eleven boards of supervisors.

[End Tape 6, Side A]

[Begin Tape 7, Side A]

SENEY: Good afternoon Mr. Lunardi.

LUNARDI: Good afternoon Mr. Seney.

SENEY: We were talking when we ended a little while ago about the Government Efficiency Committee. You seem to feel that that was a good committee to take care of problem legislation.

LUNARDI: Right. Basically because it saved a lot of time on controversial bills that probably would have never gotten out of the house or senate. It was a committee to expedite legislation, which would be debated and probably didn't have enough votes to garner passage, and probably would have been good interim hearing studies, like we used to have in those days to determine whether the bill should even have been considered in the next legislative session. So I think it had a good, good basis for analyzing what we called "turkey bills" in the old days, which were bills that we thought were kind of bad bills that were probably unacceptable in many corners of the California electorate.

SENEY: Were these bills that were sometimes introduced to satisfy constituent or interest groups by a senator who maybe wanted them killed?

LUNARDI: It could have been, it could have been maybe industry oriented bills. It could have been all kinds of bills, from any corner of the state that might have any interest in the introduction of bills.

SENEY: Do you remember any examples of one of these?

LUNARDI: Well, I'll give you one that came out, which was one of the biggest ones, was the Rumford Act,<sup>1</sup> actually. Because at that time it was such a touchy subject . . .

SENEY: The fair housing.

LUNARDI: Fair housing bill, the Rumford Act. They felt that they should keep that bill in committee at the time because there was so much opposition all over the state of California. It was a completely new piece of legislation concerning a very critical problem. It was difficult to determine just exactly what sort of an acceptance it would have, so at the time it was held in. . . . I beg your pardon, I've got that confused. That bill

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<sup>1</sup>A.B. 1240 1963 Reg. Sess., ch. 1853.

did not go to GE committee; that bill was in judiciary. At that time, an appellate court judge who just retired recently, [State] Senator [Edwin J.] Regan, was the chairman of that committee and it was held up in that committee at the time for a while. I think from there it did go to GE committee, and there was a lot of publicity because the bill was being held for quite some time. [State] Senator Gibson, who was from Vallejo and in that area, was getting tremendous pressure from Washington, D.C. concerning that piece of legislation.

SENEY: Was that because of the naval shipyards there?

LUNARDI: That's right. And if I recall the incident, there was a lot of threat that if they didn't get the bill out and put it on the floor and at least have an opportunity, an acceptable hearing on it, that they were going to do something about naval bases. It got pretty sticky; the bill was put out on the floor. It passed and became the Rumford Act, but it was a big, big fight; there was a lot of infighting going on. I don't recall all the intricate parts of what transpired, but I do know there was that element of pressure from

Washington, D.C.

SENEY: Because a number of black servicemen were involved and the difficulty getting housing?

LUNARDI: Sure. Of course, the biggest opposers of that legislation we had in California at that time was the California Real Estate Association. They were really the prime opposers of that legislation. Actually when you look back and think about it now, how insignificant it was to oppose such a thing. When you look at it today, how times have changed, how we have become more tolerant as we grow older, and learned more about the situations that we were so opposed to in the past. You look back and you say, "It really was sort of stupid, wasn't it, that things like this transpired?" It's an interesting factor.

SENEY: Well, the real estate interests got it on the ballot as a referendum<sup>1</sup> and it was defeated by the voters.

LUNARDI: Well, that's exactly right. They came back and it was defeated.

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<sup>1</sup>Proposition 14 (1964).

SENEY: And then the state supreme court overruled the defeat of it.<sup>1</sup>

LUNARDI: That's right. That's exactly right.

SENEY: Was that one of the most controversial issues that faced the senate during the time you were there?

LUNARDI: Well, the death penalty also was a big issue in the senate; that was a real big issue. Let's see, what else was a real big issue in the senate in those days that would really stand way out there, like those two issues? I can't think right now at this time.

SENEY: You know, one thing I want to get out if we can, is the difference between the assembly and the senate. How would you compare the committee systems between the two houses?

LUNARDI: Well, the committee systems were set up differently. They were appointed differently. In the assembly the speaker made the determination as to whom would be on a committee, how many committees you could have and how many sub-committees. In the senate it was done by rules committee. However, the president pro tem of the senate pretty much controlled what happened in the

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<sup>1</sup>Hill v. Miller, 64C. 2d 757 (1966).

LUNARDI: rules committee, because the majority party always had three votes to two. You had at least two Republicans making the decision as to oppose or to support; in the assembly you didn't have that alternative. And that's what the big fight is today, to change it to the senate system, because they feel it's a more practical approach, where one man doesn't have that much authority and power. The committee appointments outside of that are pretty well selected. Of course, the assembly is larger with more committees, and a larger membership than you would have in the senate. They change committee names sometimes; it all depends on what the trends are and what the climate is like. That always confused me. I said, "I don't understand why you change it." But there's a motive behind it. The committee system is very important. The committee system, whether you are defeated or supported in the committee system on any of your legislation, that's part of the system, and it should be upheld and strongly supported by everybody. To eliminate the committee system or even weaken it would be devastating. It would be a terrible situation;

you wouldn't have the proper hearings. To avoid that system and circumvent it would be a detriment to the citizenry of this state.

SENEY: Was there a tendency to go along more or less with the committee vote in the senate or the assembly?

LUNARDI: Oh, yes. But it wasn't mandatory; basically, we would determine if a bill was controversial. In those days in the legislature you knew in a short time exactly what happened in that committee on that particular piece of legislation. A good thing about today, is that the committee vote is stipulated, it is put out. When I was talking [about] how the people are protected and anybody who doesn't know what's going on in the state of California, it's because of their own ignorance or their unwillingness to find out, it's because it's there to find out. Now it will stipulate who voted on it. I wish I had one of those pamphlets here to show you; it tells you who voted for it, and it tells you what the vote was. And when it comes out in a [assembly or senate] journal it will indicate that the bill went out seven to nothing, ten to nothing or twelve to nothing, or it went out five to four, very close vote. You

look at it and try to analyze why was it that close, what was the controversy, what was the problem. So you have an opportunity to look at that.

SENEY: Now, in your day in the legislature the votes weren't recorded, were they?

LUNARDI: No, they weren't recorded at all. Could have been a voice vote. It was expeditious; it moved a lot faster. There were times when it wasn't injurious to anybody, having a voice vote. However there were times when it was. It played two ways. One was fair, one was unfair. There were times when I saw bills come out of committee, or held in committee, that, in my opinion--by the power of the chairman--I always thought that wasn't really a fair assessment of a good hearing. But that wasn't practiced except by a few. Most chairmen were very considerate. Most chairmen made sure that the audience that testified before committees were given every opportunity to express themselves, unless they created their own problems with the committee. But outside of that, there was very few times during those years that I ever saw the public abused. The public was pretty well

taken care of in those days. Whether they were for legislation or against it, they were not harassed unless they asked to be harassed. I only saw a couple of those instances where that happened.

SENEY: Was there more or less partisanship, do you think, in the senate than in the assembly?

LUNARDI: Oh, less.

SENEY: Less in the senate?

LUNARDI: Oh, yes. Less. It was pretty closely-knitted membership. Partisanship was expressed on the floor. There was no question about that. You had your ultra-liberal Democrats, your middle-of-the-road Democrats, your conservative Democrats. You had your liberal Republicans, you had your middle-of-the-road Republicans, you had your ultra-conservative Republicans. At that time the ultra-conservative Republicans were pretty much in the minority; there were about three or four of them. But there was a harmony. Once you'd expressed yourself, and this was the decision that was supposed to be made, they all went along. In those days they would almost silence you if you attacked any senator personally on the floor.

They'd almost censor you, where now they do all kinds of things.

SENEY: Do you think the level of debate was more informed, or in any important way different in the senate than it was in the assembly?

LUNARDI: I don't think so. The assembly was more excitable because the assembly was a two-year term. So the expressions and the oratory that went on in the assembly was more pronounced than it was in the senate. With the senate having a four-year term most of the senate didn't get overly excited about trying to get their names in the paper because that was the way you did it.

In those days it was hard to get your name in the paper unless you really had a real issue, one that the newspapers thought was a great issue. It wasn't that they couldn't get it in the paper; it was making sure that it was something that the newspaper people thought, and the reporters thought, would attract the readers. Where today they have all kinds of things going on. They didn't have that many things going on in those days. It was difficult getting your name in the paper in those days unless you really came out

LUNARDI: with something that was a novelty.

Let me give you an experience which was ridiculous. It was absolutely ridiculous. I did this as a joke. It was like an inspiration that comes to you in a second. What had happened was, there was no snow at Lake Tahoe. It didn't snow, and it didn't snow, and all the ski resort areas, hotel and motel people up there were really suffering. I forget what year that was, the year I was in the senate. So it had to be in the sixties, the early sixties, '63, '64, something like that. I can't remember the year. So anyhow, I thought I'd do something to kind of give Lake Tahoe some advertising. I put in a resolution which was called a snow disaster bill.<sup>1</sup> I couldn't believe the letters I received from that piece of legislation. They printed it in Switzerland, Germany, Italy. It was unbelievable. I couldn't believe that one little thing like that that I had done just to give Lake Tahoe publicity would even be in foreign countries. It was

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<sup>1</sup>H.R. 36, 1963 Reg. Sess., 1 Assem J., p. 211. Urging the governor to designate the east and west slopes of the Sierra Nevada as a snow disaster area. This resolution was introduced in the assembly while Mr. Lunardi was still a member of that body.

unbelievable. I didn't intend that they would ever give any money for this. It implied that without setting up the figures. That hit the San Francisco papers, the sports page, big articles about this snow disaster. They thought it was great. I think they thought it was funny as hell, too.

SENEY: To compensate the ski areas for no snow?

LUNARDI: Oh, yeah. Just like everybody has a disaster area. So I said, "Why not have a ski disaster area, snow disaster area?" Of all the legislation I ever carried in my lifetime, I don't think I ever received as much correspondence on a piece of legislation as that. It was unbelievable. It goes to show you how something can stimulate certain people. To give me money for a snow disaster area, ski disaster area, would have been absolutely uncalled for. It would establish a precedent that would never stop. I knew I couldn't get any money. It was unbelievable, what one little resolution could generate. I mean, people were serious. You know, "Could I come up and testify?"

SENEY: You never guessed you'd get this response?

LUNARDI: Oh, no. I did it from a basis of a chamber of commerce thing. Let's give them some publicity. Let's let the people know, so maybe people will go up there and generate some business for them. That's basically what I did it for, to stimulate the area, you know. Let people know that things are not that well up there, under the circumstances. That this is what keeps Lake Tahoe alive. This is their economy. This is their industry. These were the things I was trying to tell them. It got so big it was unbelievable. Just that resolution. Sitting back, realizing I have egg all over my face, because I know I can't get a contribution from the state, or an appropriation, I should say; they couldn't do that. It was unprecedented. We finally worked it out. We talked and everybody was happy after they realized why I did it. [Laughter] But I was surprised that it got in the foreign newspapers. Shows you how sports minded some people are. So that was an interesting dialogue.

SENEY: Well, maybe the Swiss were hoping their government might do the same thing for them under similar circumstances.

LUNARDI: Probably. Yeah. Well, they were really serious about it. So that's an interesting thing. And if you look back in the archives, you'd probably find that resolution somewhere.

SENEY: I'm sure, yes. I wanted to ask you about the differences in the leadership of the senate and the assembly and how the two bodies were led.

LUNARDI: Like a North and South Pole. Jesse ran one way, and Hugh Burns ran the other. I don't know if you recall, they used to have what they call the Jessie and Hughie show. Do you remember that?

SENEY: I do remember that. Yes.

LUNARDI: It got to the point where that they thought it was so funny because Jesse was on one side all the time, and Hugh Burns was on the other. Actually when they got together, they were very good with each other. It gave you another side of the story. It at least showed the public that here was two people, who were diametrically opposed in most instances, and yet were meeting and expressing the issues before the public. I forget what day it was, but they used to have that Jesse and Hughie show. I thought it went off real well.

I remember the time that Jesse, I forget what

LUNARDI: the issue was, but he was trying to put pressure on the senate, when I was on the senate over there. It's too bad I can't remember the incident. But Jesse was putting pressure on us to do something, and we said we're not going to involve ourselves this year in that issue, or something to that effect. I'm just kind of hypothetically going through this. All of a sudden, we all got together and we said, "Well, if this is what he's tying everything up for, and he's putting the pressure on the senate bills that are over there, we'll just go home." We did. We just adjourned the senate and went home.

He [Jesse Unruh] was up there at the rostrum. Somebody went up to him--it might have been Jerry Waldie, I don't know--and said, "Jesse, what are we doing here?"

And he said, "Well, we have to get this business going so we can get these bills over to the senate."

He says, "You're too late. They've gone home for the year." And we did; we went home, and that caught him completely off guard.

It shows you the power structure, because he had some bills that he thought there was no way that the senate would ever go home, but senate said, "We'll get the bills back next year."

If he wants to play that kind of a game, fine. We just went home. That caught Jesse Unruh off guard. He learned a real lesson there. He never pulled that again. So that was the power difference between the leadership of the Hugh Burns and the leadership of Jesse Unruh.

SENEY: Hugh Burns was a leader of the senate for many years.

LUNARDI: Oh, yes. I forget how many years but he was there a long time.

SENEY: What sort of fellow was he?

LUNARDI: Well, Hugh was probably one of the most successful, effective, lackadaisical leaders with a great following on both sides. He ran a great shop in that senate, kept everybody happy, made sure that nobody was put in an embarrassing position, kept controversies to a minimum. Everybody was delighted, whether you got your bill out or not.

On the other side [the assembly] everything was hostile. Everything was a big issue, with fights and bickering. That's why it was more exciting. That's why I made the statement that it was a lot more exciting over there. It was more low key in the senate. That was the difference in the operation.

Now, Ralph Brown ran the assembly--except for the caucuses that they had to have, and the difference in the selection of committees--he basically ran the assembly like Hugh Burns ran the senate, quiet, as low-key as possible. He had forty more members to deal with than Hugh did, which was more cumbersome, but he did it well. That's why I said, that in my opinion, the way he [Ralph Brown] handled the assembly and the Republican party, he was tougher than Jesse. Except that he didn't express it as openly and get into as many controversies as Jesse did; he didn't have the same personality as Jesse. They were two different people. I think Ralph did a great job as speaker.

SENEY: Do you think the difference between the two bodies was the fact that the assembly was twice as large

or that they had to run for office twice as often?

LUNARDI: Both. You had more people introducing more legislation, more controversial legislation. You had two-year terms. They were running for office all the time. I know, I was one of them. You ran all the time. You didn't have any leeway at all, under any circumstances. You couldn't say, "Well, I have a couple years, I can kind of lay back." You couldn't do that in the assembly. Once an election was over with, you were back working again to try to get yourself reelected, making sure that you were on top of all the issues in your district, that you'd taken care of them, or at least attempted to take care of them. That was the difference, and that will never change.

I personally believe in [four year term for the assembly], and I supported this at one time. The newspapers will never support this because they lose too much revenue, and that's the only reason they fight this issue. The media don't want to lose that revenue. Because from a business standpoint, the same size ad for politics is twice as much money. So they can say anything they want, and between you and I, that's basically

their biggest reason. It's not that the people lose their representation; they don't, because if that's the case . . .

SENEY: You're talking about four year terms for the assembly?

LUNARDI: That's right. If that's the case, most of these assembly get elected to two terms when they first get elected anyhow. You can hardly get in trouble in two years. So why wouldn't you get elected again? Unless you did something drastic. If you did something drastic, you could still get impeached for a felony, malfeasance or misfeasance in office, or something like that. I was always in favor of giving the assembly four-year terms, and giving the senate six-year terms like the United States Senate. The reason for that is that they can relax and spend more time on the issues instead of running for office and playing politics with them, like they do today.

SENEY: Do you think that would reduce the influence of special interest groups?

LUNARDI: Oh, of course not. I don't think it will stop that. I think they would still try to be as influential as they've always been. I think it

LUNARDI: would give the legislator an opportunity to hold them off a lot more, and to give them more time to analyze the issues. The main thing that I think it would do is, it would give them more time to study the issues, more time to analyze. This may sound sour, but at election time, a legislator will do things even though he doesn't believe that's what he should be doing. Because the districts are so large that it would impossible for him to get out and express to everybody in the district why he did what he did when it wasn't that important in the first place. So it's easier to go the other way by saying, "This is why I did it. It was easier. This is what everybody wanted." And it might have been wrong. Do you see what I'm getting at? So things like that can happen; it has happened. That's why the senators, if you'll notice even today, with four-year terms, they don't get as excited as the assembly does. It is a smoother operation. Even today, even though there has been a lot of changes, the senate sort of gets their stuff done. And they do it systematically, and cooler, and smoother. It's not that boom, boom, boom jerky, panicky situation

that you see in the assembly. The reason for it [in the assembly] is very simple, two-year terms plus the amount of people on the floor. Look at how unruly the 435 [United States] congressmen are. It's unruly. It's unbelievable. Just uncontrollable. Our system's still good. I wouldn't change it. I don't know where you could change it, unless you're talking about changing the amount they can spend on themselves or. . . .

SENEY: Well, they always find a way around those limitations, don't they?

LUNARDI: Yeah. I am always of the opinion that we should make sure that they don't have run away programs, but we also want to make sure that we don't make it so difficult for them that we don't have good people. . . .

[End Tape 7, Side A]

[Begin Tape 7, Side B]

LUNARDI: The conflicts of interest for example. There has to be some protection there. I just wonder whether or not they've gone overboard with that. This has precluded a lot of people from coming into the public sector, wanting to know exactly how many dollars they have in the bank. How much

LUNARDI: stock do they have? Who are they associated with? I always considered that personal. I don't think that it helps too much, except there are people out there that say, "I don't want any part of this. I don't want people to know whether I've got a dollar in the bank, or five million dollars in the bank."

I'll give you an example of what I heard up in Grass Valley, in your field of education. You're talking about conflict of interest. You've got people up there in the small--probably, in the big cities, you might not have big problems like this--but up in the mountain counties where you couldn't get anybody to run for school board. This is down your line. Let me tell you what was going on up there; it was very interesting. I don't know whether that's resolved itself or not. I forget how many years back this was. This was maybe ten years ago. It hasn't been too long. Because of the conflict of interest laws, you had elementary school teachers running for the high school board. And you had high school teachers running for the elementary school board. They couldn't get enough citizens out there to run, so

they had to get the educators to run. In order to keep it from getting to be a conflict of interest, they ran for different boards. That's ridiculous. I think it's detrimental to a good government operation, but that is what happened. I think it has resolved itself when more people started to run. Can you imagine that?

SENEY: Well, there are extensive disclosure forms now, aren't there, that legislators have to make available?

LUNARDI: Oh, absolutely. I understand where they're coming from. There's people out there that abused it, but I just wonder if there is that much abuse. It might have cost us even more the other way. I don't know. I have never made a study of it, so I can't say. The only thing that I can say is that you just don't legislate morality. I don't care what you do. If somebody is going to cheat, he's going to cheat; I don't worry too much about conflict of interest. It can be abused regardless of the laws. But if you got down to really analyzing the conflict of interest thing, say I belong to the Veterans of Foreign Wars, or the American Legion, you mean it would be a conflict

of interest as a member of those organizations to vote? Where's the limitations?

Or, for example, my wife is a school teacher. I'm not a school teacher, but I sit in the legislature. I vote for all these bills my wife wants me to vote for, or that she tries to entice me to vote for. Is that a conflict of interest? Where do you draw the line? Where is it? I think we have gone too far. I think because of that we've lost some darn good talented men and women that would put some time into public life.

SENEY: During your service in the legislature, did you have a feeling that there was dishonesty among the legislators?

LUNARDI: There's always that.

SENEY: Was there much that it seemed to be a problem, or are we just talking about the average . . .

LUNARDI: The average. It was just an average. Overall, from the time I came to Sacramento in 1958, to today [1989], the amount of people who are dishonest over there--regardless of the FBI investigations, because I don't think they're going to prove half of it, if that much, or one-third, or one-quarter of it, whatever they're

after--are always in the minority. One apple, as they say, can spoil the barrel. That's what can happen in the legislature; there are dishonest people over there, as there are in other organizations and industries. They are so small that it's not risky. It's not hurting us to that extent. And eventually they get caught. I wouldn't worry that much about it.

SENEY: It's certainly the public perception, though, isn't it these days, that there's more of that?

LUNARDI: Oh, sure. It's unfortunate, and I'm not going to blame anybody for this. I'm not even blaming the legislature, totally, because a lot of the accusations against the legislature are not true, and they are not founded. Some people accept the criticism before they accept maybe honor, and respect, because that's not controversial. But when somebody does something wrong, it's controversial. It's unfortunate that our human nature gets us to climb right on it and say, "Can you believe this?" Instead of saying, "I don't think that's true." We're all guilty of this. I mean, immediately you put guilt upon them, and nine times out of ten they're not guilty at all.

SENEY: Yeah, people are much more willing to believe scandals.

LUNARDI: Scandals. So, consequently, the image in California today is probably at its lowest, and I don't know how to attribute that completely. I don't blame the legislature totally for this. I really don't.

The other thing is, the danger of it. The danger is that the people on the street are making the laws today, and not the legislators, and that's dangerous. That scares me. Because people are crusaders in certain areas. You talk about special interests, there's people with special interests. You get the people out there that are on one side of abortion. You've got people that are on the other side of abortion. You've got people on one side of religion. You've got people on the other side of religion. You've got people in education on one side or the other. You've got people in the wineries on one side. You've got people on the other side. So everybody has a certain side. But the people do not have the committee system to hear, publicly, the issues involved and analyzed by their elective

representatives. It's placed on the ballot and thrown into their homes as a proposition without knowing anything about the issues; that's dangerous. That's dangerous. I thoroughly believe in the initiative and referendum, don't get me wrong, because it's an avenue necessary to protect the people, but it's being abused. It's being abused so badly now that I think that somewhere along the line the legislators are going to have to do something. They are going to have to form a commission or constitutional committee with a good cross section of intelligent people; not change the initiative process or the intent of an initiative or a referendum, but to have hearings on it, instead of spending millions of dollars contesting all of these things in the courts. That could still happen, but at least you would analyze and establish some constitutional understanding of what we're doing with these propositions and clean up some of the bugs. I think that should be done. I don't know whether it ever will be. Do you see what I'm getting at?

SENEY: Yes. Have you see the recent opinion polls? The voters are ten to one in favor of the initiative

procedure.

LUNARDI: Absolutely.

SENEY: It would be very difficult, I think, at this point for the legislature to make any change. But, if you take the insurance initiative measures,<sup>1</sup> I see what you mean when you say they would probably have been improved by legislative hearings.

LUNARDI: Nobody understood them, thoroughly. Nobody knew what they did. What was another one that, in my opinion, created some problems?

SENEY: The new school financing plan, Proposition 98.<sup>2</sup>

LUNARDI: There's an example. I voted against that. I felt that it was a dangerous trend. With all due respect, as a great supporter of education, I didn't want that to happen. But it did; it got passed, but it passed because the legislature allowed it to pass. So, for that, you know, you've got to sort of blame the legislature. But, you know, you take [Superintendent of Public Instruction, Bill] Honig; in my opinion, Honig's running for governor. He started to run for governor the day he got elected as Superintendent

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<sup>1</sup>Propositions 101, 102, 103, 105 (1988).

<sup>2</sup>Proposition 98 (1988).

of Public Instruction. I understand him very well, and I don't dislike him, don't get me wrong; that's part of politics. But you know, Honig is playing that game as strong as he can, but he'll never be governor. He'll never be governor. There's too many powerful guys out there; the Attorney General [John Van De Kamp], you got [Pete] Wilson coming in. You've got all these people coming in. And the Superintendent of Public Instruction, how many have ever been elected governor? Not in my lifetime.

SENEY: I want to ask you, if we can get back to the senate for a minute, I wanted to ask you if, when you entered the senate, your policy interests changed at all from the kinds of things that you did when you were an assemblyman?

LUNARDI: No. I stayed close to my district. I worked to see what I could do for my area. I kept that same rhythm going, and never changed a bit. I had a lot more time on my hands to work on the issues of three counties than I did eleven, and so it gave me more time to meet with people in my area than before, and it was a lot easier.

SENEY: You built your political strength, I suppose, that way?

LUNARDI: Oh, sure. The best way to express it, after representing eleven counties, I got elected to the senate; it was like spinning around in my chair. It was so simplified for me. I'd been stretched out into this vast area, trying to take care of all these complicated problems, and it just minimized it. I lost eight counties.

SENEY: So I take it, you probably enjoyed your time in the senate more than you did in the assembly?

LUNARDI: Oh, I loved it. It wasn't as excitable because it was more low-keyed. It was a lot better because, actually, you have more time to accomplish things. And it was more appreciated in the senate. People were more closely knit to you in the senate. . . .

SENEY: Your fellow senators?

LUNARDI: Fellow senators, yes. You weren't as diverse in the senate as you were in the assembly on territories and issues and everything else because of the number and rural representation.

SENEY: The word club is often used to describe the senate. I take it you wouldn't argue with that.

LUNARDI: No. It was a club. It was absolutely the Senate Club. That's right.

SENEY: I see a big broad smile on your face as you say that.

LUNARDI: Right. It was a great operation. I wish they had it today.

SENEY: It's not the same today?

LUNARDI: No. You see, you have a one man, one vote now. Before, the checks and balances were much stronger, because you had a rural senate and an urban assembly. Mostly the power was in the small counties. We had one senator from Los Angeles. Interesting thing, though, there wasn't anything that that senator couldn't get for his district. We saw to it that he got most everything except highway funds, because we had the Mayo-Breed [highway fund allocation] formula which was 45, 55 percent. 45 percent for southern California, 55 percent for the north. Actually, when you look at the balance, and the needs of the mountains, and the snow areas, we needed more than that. Now its down to 60-40. L.A. gets 60 percent. I knew that was going to be broken as soon as the one man, one vote was put into effect. There was a lot of

legislation that would fly, from an urbanized standpoint, out of the assembly, and the rural counties would just squash it in the senate.

SENEY: So, I take it you felt the reapportionment decision was probably a bad one.

LUNARDI: I think so, for the state. I do. What do you have? Thirty-one assemblymen from Los Angeles, you had in those days. Now you have fourteen-and-a-half senators from Los Angeles. They can't agree what to do with L.A. on some issues. Sometimes they are stalemated. Before, it was all settled, all done. I thought it was great.

SENEY: You thought it was a better deal . . .

LUNARDI: I remember when [State Senator Thomas] Tom [M.] Rees, who has become a congressman, was a senator from Los Angeles. He had six or seven secretaries, consultants; he had the biggest office in the capitol on the senate side. He had a bigger office than Hugh Burns who was the president pro tem. We took care of that. He got on the floor, and he opposed Earl Warren's decision on the one man, one vote. He actually got on the floor and opposed it. He thought it was a terrible thing because he understood that he

made the decisions and it was taken care of by the rural counties. We didn't let him die in the senate. We took care of Los Angeles. The major problems that were absolutely necessary to keep Los Angeles growing, he received those things. It was never neglected. He would stand here today and tell you that.

Things have changed quite a bit now. Of course, then, everybody says, "We ought to have a unicameral system if everything is going to be one man, one vote, like Nebraska has." That will never happen unless the people do it. But, both are on a population basis.

SENEY: Well, it certainly changed the character of the state senate, there's no question about it.

LUNARDI: Absolutely, absolutely. Your state senate and your assembly have become more partisan.

SENEY: Do you think reapportionment had something to do with that?

LUNARDI: Oh, sure. One man, one vote, sure. It's made the cities and counties a lot stronger than they used to be.

SENEY: Do you think it's intensified regional conflict within California, north versus south, urban

versus rural?

LUNARDI: It's pretty well quieted down, I think, as far as highways and water; those issues are out of the way. There's still threats of southern California trying to take more water away. And we'll always be forever vigilant in northern California to watch that because they always remember Owens Valley; so that's going to be a thing they're going to watch. But I think it would be many years before that would ever happen again. And they're adequately served now for what they get.

The highways monies are gone from the north now. They've always been there, and that's changed. You remember years ago, it was always a fight about splitting the state. You know, let's make two states out of it. Of course, economically that couldn't be done with all of the bond that we are indebted for. The big problem today, not in just northern California, but all over the state, is highways.

SENEY: Deterioration of the highway system.

LUNARDI: Jerry Brown eroded it for twenty years just in eight years. Deukmejian hasn't done much more.

SENEY: I'd say he's done a little less.

LUNARDI: I don't think he's done as much. I think that something is going to have to be done on highways. But the theory was that if you make it uncomfortable for them, they'll go rapid transit. We weren't born with rapid transit. New York was born with rapid transit. New York, and those states, they've always had it. You can take New York and put it in between San Francisco and the northern part of the state. It's a big massive state. Where are you going to park your car? It's not going to come by your home, so you have to set up parking. You still have to get in your car to get to the rapid transit. It's a situation that's completely unique, and I don't think they'll ever change it. The only way they're ever going to force people to take rapid transit is to make cars so expensive that you can't afford them. Like San Francisco does, you park your car for three hours, four hours, it's ten bucks; it's unbelievable. Maybe Sacramento will, well, Sacramento is moving in that direction now. This morning for example, today, the 24th of March, usually it takes me from my house [in Roseville] to the garage downstairs about twenty minutes,

twenty-one, twenty-two minutes, something like that. It took me forty-five minutes to get in here today, and there was not an accident. I thought it was a wreck. It was not an accident. Everything was tied up, all the way from El Camino to Madison on Highway 80. It gets worse all the time. So when it gets to the point where it gets expensive, inconvenient, then rapid transit will work, but not until then. But, we're talking about northern California, about Sacramento. If you take southern California, to go to work, which is even shorter than from Roseville to Sacramento, it takes them an hour and a half to get to work. It takes a housewife three hours to do her shopping at a grocery store; it's unbelievable. I'm probably putting things in here . . .

SENEY: No, no. That's all right. I want to ask you about some other things, some other issue areas, and transportation is a very important one. I want to ask you about some things that go beyond your term in the legislature because you've been active in politics in another way since then. But, one thing I wanted to ask you about, the impact it had, was the Watts riots. That was

1965, when you were a member of the senate. It was a fairly serious matter. Can you recall that and what the reaction was?

LUNARDI: Well, everybody was just devastated over that. They couldn't believe that this could happen in California. What really motivated and sparked it, I'm not sure exactly. Some people said because the merchants were gouging the citizens in that area. I don't know whether that's the answer or not. I know they destroyed records, accounts receivable, and everything else. I was there three days later and went through the area. It looked like it had been a war zone. It was just horrible. It just boggled my mind. You think you live in a civilized country, and you see something like that happen, and you can't put your finger on what really sparked it. I still can't determine what really sparked that. I still can't believe it was a merchant that charged more than he should have. I don't know. I think it hurt the black population. Of course, all those things always hurt regardless of what origin you are, what nationality. I think it set them back some at that time. I think the black people are doing a

pretty good job now, even though their problems are not totally solved. I think the Chicanos have got real problems with what's going on in L.A.

SENEY: How do you mean?

LUNARDI: With the gang wars that are going on. Chicano gang wars. I'm talking about California now. I think that's hurting the Chicanos. I don't know what the answer to that is, but the law enforcement is doing everything it can to stop it. I don't know where it's going to end. It's breaking out in Rancho Cordova. We're talking about next door. Coming in from L.A., the blacks have basically tried to stay in the background. They used to be the ones who were always in the front. Now it's the Chicanos. I don't know where it's going. Do you see it that way?

SENEY: I see a serious drug problem.

LUNARDI: Well, I know it's all drug related. I didn't mention that, but this is what it's all about. The question I'm sort of saying is, are the blacks getting away from the drugs and the Chicanos getting into them? Are they moving the blacks out? Are they moving the Italians out? I don't want to pick just those two because you have the

mafia involved in the drug traffic. You've got mafia, who's made up of Italians, Jews, blacks. They're all broken up into different categories now.

SENEY: In the Hispanic and the black area there is not much opportunity for the youth. Unfortunately, narcotics is one of the few areas that provides opportunity, and a good deal of money. The amount of money is just staggering.

LUNARDI: They'll legalize it.

SENEY: Maybe so, yeah.

LUNARDI: This black back east, I support him. Everybody tells me the problems you had. My God, we're having problems now. So they say, "Well, this will create, by legalizing it and making it accessible, we'll have more dope addicts." I don't believe that. I really don't believe that. I don't think it does any more than what alcohol does. It doesn't create more drunks.

If you are going to be an alcoholic, you're going to be an alcoholic. You have tolerance or you don't have tolerance. I think you have the same thing. You get rid of all of the criminal element. You make it accessible. There would be

LUNARDI: no market for anybody to get into because it wouldn't be worth their while. They say it doesn't work. Why don't we try it? I'm a great supporter of legalizing it. Getting it over with. If people can't walk down the streets without getting killed. . . . And they're not even involved in drugs. This is devastating to me. This is serious to me. Young kids, children, they're being murdered on the streets, murdered in their homes, people throwing bottles through their windows, homes being shot up, cars being shot up. These are innocent people just going down the street. I'll be against the religious people or anybody else that say we shouldn't legalize because we haven't tried to do that yet. Everything we're trying now is costing billions and billions of dollars and they're out there saying, "I don't know if we're making any progress or not." Once you cut out the source, and you cut out the monetary element, you don't have people trafficking any more; you don't have people killing each other any more, because they can't get dope, or because somebody didn't pay his bill. They're robbing stores. It's just unbelievable,

and they sit back and they're not doing anything.

SENEY: And this really wasn't a problem that you had to deal with during your period as a legislator, was it?

LUNARDI: Drugs? No. If I remember, when I was in the legislature, I think we had one sit-in in the capitol--I'm trying to think what that issue was--it wasn't a pretty sight. I can't think what that was. It was only one sit-in, an overnight situation, something like that. But we didn't have a lot of those demonstrations like they have today. People weren't that excited in those days, I guess. I was in a pretty good era.

SENEY: Yes, it was. Progressive and quieter, more constructive. A lot less. . . .

LUNARDI: The only thing that was really serious, that gave us great concern, was Berkeley. That was the most prominent concern we had at the time that really created a problem.

SENEY: When we spoke this morning you made the point that no one really knew quite what to do about it because it was unprecedented. There had never been this problem ever before.

LUNARDI: That's right. It was new to us. I can't remember why those people were sitting in. It was a silly situation. Somebody decided they were going to come and park and they were going to sleep in the capitol. And I can't remember why. Isn't that funny? I'll try to find out why that was.

SENEY: O.K. Is there anything more you want to say about the senate? Any important points that we missed? We spoke about your election, but not the second election. Is there anything you want to comment on about your second election, your opposition or the campaign?

LUNARDI: I had a lady running against me by the name of Margaret Megs, who was a member of the city council, Grass Valley. When I defeated her, she didn't tell anybody. She moved out of the house that evening. . . .

[End Tape 7, Side B]

[Begin Tape 8, Side A]

SENEY: We were talking about your senate race and your opponent. If you'd like to continue telling me about her. . . .

LUNARDI: Well, yes. I first was elected to the senate in a special election, and at that time I had defeated

LUNARDI: Frank Sevrens who is a local newspaper publisher in Roseville. Then shortly thereafter the term was up; I think it was somewhere around eighteen months. When I filed for re-election to the state senate, why, a city council member from Grass Valley by the name of Margaret Megs had filed. I had never heard of her, and she wasn't too well known in the district. She was an interesting person who, for some reason, had ties with Hollywood; she was a very close friend of Gary Cooper and used it in the campaign. I didn't know what significance that had, but that's the kind of a campaign she used.

We were both associated with the Catholic Church, and she tried to use the Catholic Church as a kind of a stepping stone for her campaign, especially with the Catholic ladies. I never used the church at any time, nor did I anticipate ever using the church, because I was always very strongly in favor of separation of church and politics. I was called by the Catholic ladies in Auburn, and they asked me to come up and debate Mrs. Megs, and this kind of upset me. I didn't mind debating her, but I didn't want to debate her

LUNARDI: in a religious group. I indicated to the party that called, that I had never used or exercised my religion in any of my campaigns, and I did not desire to start it at this point. She [my opponent] had requested this debate. I said to the lady from the Catholic organization, "I will not appear at any time when this has anything to do with religious groups. As far as I'm concerned, if this is the sort of a program that the Catholic ladies are going to put on, I could be a Presbyterian very easily the next day." That's about the remark I made. And consequently the whole thing stopped, and there was no meetings. She never appeared very often in places where I was, so there was really not too much debate going on. Of course, I defeated her very handily. And the interesting thing about her as a city councilman was that, after the election, that night, in the early wee hours of the morning, that somebody had drove up with big trucks and carted all of her furniture out, and she disappeared from Grass Valley. Why she did this I don't know. And she never even notified the mayor of the city of Grass Valley that she was even leaving, even

though she was a member of the city council.

The last time I heard of her she was in Pasadena and had filed to run for the congress down there. So I guess she was just kind of a perennial campaign filer. But since then I have never heard of her again. So, that was the conclusion of that race.

SENEY: At this point I'd like to ask you about the senate reapportionment plan because the courts required that the California State Senate be redistricted and reapportioned to reflect population. How did that affect your district?

LUNARDI: I had Sierra, Nevada and Placer Counties, three counties, in the seventh senatorial district, that was the number at that time. That was quite significant being in the senate in those days, because you had the rural senate and the urban assembly. In the assembly, as you recall, I had eleven counties, so it was quite a significant thing to be able to work in three counties compared to eleven. It gave me more time and more chances to work on projects with only three counties. So it felt like I was spinning around in my chair, operating in three counties. But

when the Earl Warren court came out with a decision on reapportionment, one man, one vote, in either house of the legislature, then that threw the senatorial district into eight counties. When I looked at that, I thought, well, for five hundred dollars a month to go back again into such a large district, it didn't really show much favor to me at the time. So, consequently I decided that with the illness of my wife at the time that it was time for me to get out of the legislature, out of the senate rather.

While I was in the senate, the senate was a great body; it had no caucuses. The caucuses were forty members of both parties. It was run basically like a club. Senator Burns was the president pro tem of the senate. . . .

SENEY: Tell me a little bit about Senator Hugh Burns.

LUNARDI: Senator Hugh Burns was a great organizer, Democrat, conservative, from Fresno County. He ran the senate to the satisfaction of both parties and was never challenged until after the reapportionment of the state senate. He had a great following in that house. He was a very smart politician, politically astute, and he saw

LUNARDI: to it that the members of the senate worked together, made sure that there was discussion between members of that senate body. And it worked. It was always an opportunity for everybody in that senate to express themselves within the caucus of the forty members, and that's the way it worked. It ran very smooth, and a lot of work was done. We used to work night and day. There was never a time when we decided to let things hang over until the next day. Many times we worked until midnight to get the bills out; it was a fine operation. I enjoyed the senate. It was more refined than the assembly. The assembly with eighty members was more exciting because there were more issues involved all the time, and the senate kept a low tone politically. They had their debates on the floor, but it was done in a very light style compared to the assembly debates. It worked. At that time we only had one senator from the county of Los Angeles and his name was Tom Rees. He became a congressman. Tom Rees even got up on the floor and opposed the fact that the United States Supreme Court had ruled on one man, one vote because the city of Los Angeles was

LUNARDI: getting more with one senator than they would with more because of the possibility of different interests involved in different districts. Tom was the type of person that kept it together. He was right because after reapportionment you had thirty-one members of the assembly from L.A. County and you had about thirteen-and-a-half senators from L.A. County. I think that Los Angeles, with the exception of changing the [Mayo] Breed formula on the percentage breakdowns of highway monies, really has lost. Of course, we gave them the California Water Plan; they needed that, but that was inevitable even with one senator.

Tom Rees was also the one we gave the biggest staff to. He had a staff of maybe five or six secretaries to handle the millions of people that he had. I think at that time it was around seven million in that county. It's more now. We made sure that his programs were passed, as long as they didn't affect the north. It was sort of a satisfactory operation. Southern California people would disagree with me on that. They were right to. I still think that Los Angeles was

LUNARDI: getting just as much then, except the highway funds, as they are getting now, if not more, with that one senator, and they got northern California water.

Then we had some prominent people like [State Senator] George Miller. Miller was one of the great leaders, and a great speaker on the floor, with a very gravelly voice, who died too soon. He was chairman of Finance. He ran it well. We had [State Senator Joseph A.] Rattigan, who was a very bright Democrat from the coast Bay Area, who became an Appellate Court Judge. A brilliant mind, extremely brilliant mind. We had [State Senator] Howard Way on the Republican side that was quite a mover in that area, in their party, that worked on the floor. And [State Senator] Jack Schrade, and some of these other members of the Republican party. And you had [State Senator Clark L.] Bradley. Sometimes he became a nuisance because he nit-picked a lot on some bills, but I had to give him a lot of credit. I always respected him for the fact that he did his homework. You can't take that away from him. There were a lot of great people that went through

the senate, and also in the assembly. It's a good body to work in; they did a lot of work and they got things done in those days. There was not as much bickering and fighting within the parties as you see today. It's an unfortunate thing. I don't think the people win when you have infighting like this. On the assembly side we did have Democratic and Republican caucuses, but there was a relationship between both parties regardless of the philosophies. I find it difficult today to see the dissension within the Republican party and the Democratic party. I don't think that it's healthy, and I don't know how you correct it.

SENEY: I'd like you to talk about your transition from being a senator to being a lobbyist. How did that happen?

LUNARDI: Well, at the time it was an accidental thing. I didn't plan it. When I decided that I wasn't going to run for office again, I was actually probably going to go into the insurance business because I had a little experience at that. I was going to start my life in a different direction. The late Merle [J.] Goddard, who was the lobbyist for the California Grocers Association, when he

LUNARDI: read the news in the paper [that I was leaving the senate], he came to me. He was a great friend of mine. He says, "Gosh, you can't leave Sacramento. Your experience in the legislature with the following you've had here, you'd be a good lobbyist."

I said, "Merle, I really don't know if I want to get into that sort of thing. The thing that bothers me is the parties and the drinking, and going out every night and entertaining. I'm not too sure I would like that." Well, the thing that really happened when I went into lobbying is, I controlled it much better than when I was in the legislature. In the legislature I was invited to these things [social events]; it was a kind of a routine thing. When I became a lobbyist, I had control of what I was doing. I had not envisioned that at the time. So I was not doing a lot of cocktail parties and a lot of entertaining. I did a lot of it, but not as much as I thought I would. I had great control over it.

Merle asked me if I might work as an assistant to him for a while and see if he could not work me in as a lobbyist on a full-time basis.

LUNARDI: So that was pending at the time when Leroy [E.] Lyon [Jr.], who was the top lobbyist for the California Railroad Association, contacted me and asked me if I wouldn't like to work for the California Railroad Association. I indicated to him at the time that I was being considered by the grocers, but I would discuss with Merle Goddard.

Merle Goddard says, "Hey, Paul, it's a great break. Just so you stay down in Sacramento." So he always wanted me to stay in the Sacramento scene, basically. So he said, "That's a great thing. He could probably give you more than I could give you." So there was five railroads involved and at the time--before Jefferson [E.] Peyser [General Counsel of the California Wine Institute] called me on the phone--there had been four presidents from the four railroads that agreed that I should be hired. But the fifth [all five railroad presidents had to agree] one was on vacation somewhere in Belgium, in some foreign country, and they couldn't reach him. I thought that was kind of a loose way to hire people. If one president out of five is somewhere out of the continent, why the whole railroad stops. I didn't

think that was a very good way to handle the administration of this lobbying group.

I told Jefferson Peyser that I had been considered by the California Railroad Association. So he said, "Well, just come to San Francisco tomorrow, about eleven o'clock and meet with the president."

I said, "Sure, Jeff." Because Jeff was a good friend of mine. I said, "For you, I'll do that." So we went down there and we met fifteen minutes with the president.

SENEY: . . . of the Wine Institute . . .

LUNARDI: . . . of the Wine Institute, I beg your pardon. Don McCulley was the president at that time. After fifteen minutes he said to Mr. Peyser, "If he'll accept the job, hire him." I went back and I talked to Leroy Lyon about it, and I told him I had a very good deal with the Wine Institute, and wondered whether or not he would object to me going to work for the wineries.

He said, "Well, the way this had been dragging and everything, I know you are going to be accepted, but I know you want to get started. If you want to do that, I won't object to it. I

won't feel bad about it. I'd like to have you stay, but I surely would not stand in your way."

I said, "Fine. I will help you to get a replacement if you want me to."

He said, "I'd appreciate that." And so that's the way we left it, and we've been good friends for many years around here, up to today. I went to work for the wineries. I quit the state senate on my birthday, September 30, 1966, and the first of October, I went to work for the wineries. I was with them up until October the 31, 1988. I mean, December the 31st, 1988.

SENEY: Tell me a little about Jefferson Peyser because he was a pretty legendary figure, wasn't he?

LUNARDI: Yes. Jefferson Peyser was the man that started the Wine Institute in California. He started it way back around 1935. He actually was lobbying-- he was a lawyer, a very bright lawyer--and he represented the wine growers in those days. That was when Prohibition just started to be repealed. When Prohibition was repealed, he was the one that decided to organize the Wine Institute through the 1937 California Marketing Act. He worked with the wineries to organize a marketing order for them,

LUNARDI: to get them started. He represented them, I believe, from 1937; it was forty-five years that he represented them. That was a long time. He also became general counsel for the Wine Institute. He took care of all other states and was involved also in foreign countries, in promotion and marketing for the Wine Institute, plus working in the political arenas, the Congress of the United States, and also the other states of the union.

We had other members in the lobbying firm working for the Wine Institute on trade barriers, both tariff and non-tariff barriers. That was always a very, very serious thing because every state had a different law on what you could do and what you couldn't do in the alcoholic beverage industry. They had preferential taxing. Those states that produced wine, for example, hypothetically speaking, may have five cents on a gallon of wine on their wine, and then maybe have a dollar and a half taxes on California wines, which was very discriminatory.

Or they would say that you couldn't advertise your wines in the state. This all came about

through the repeal of Prohibition on the Twenty-first Amendment. In order to get it ratified, because there was a lot of dry states like Oklahoma, it allowed the states to do what they wanted to as far as controlling the transportation and sale of alcoholic beverages within interstate operations. That is still in the constitution. That's why you don't have a free commerce and trade where alcoholic beverages are concerned. It was challenged in the courts. They still have not won a case to say that this should be equalized. But since then there have been other test cases. The Honolulu case, for example, is the one where the courts threw it out. Now where preferential taxes are concerned, that is dwindling very rapidly because they've considered it unconstitutional to do that.

SENEY: Why did Jefferson Peyser select you to be a lobbyist?

LUNARDI: Well, it was very interesting. After I'd worked for him for about a year--he was Jewish and I was Italian--I said to him, "Why did you hire an Italian to go to work for the wineries?"

And he said to me, "Well, it's very simple. While you were in the legislature, I watched you at parties, and at cocktail functions. I never saw you out of order. You seem to get along with people in both houses and in both parties." He says, "The most significant thing was you never asked me for a bottle of wine." I thought it was kind of a joke, but it was true; I never did ask for a bottle of wine.

SENEY: Did people ask you for wine when you were the lobbyist for the Wine Institute?

LUNARDI: Oh, absolutely. All the time, for a dinner or a function. Not only did the legislators ask me for wine, all kinds of people asked for wines, different societies, when they would have fund raisers for various things like Muscular Dystrophy, Heart Funds, stuff like that. These requests were approved by the Wine Institute, not me.

SENEY: Would you donate wine in those cases?

LUNARDI: Yes. There were some areas where we would donate wines. We had to put a stop to it. It got to the point, where once it got out that wineries were giving wines to every function, well, you know we

had to have wines to sell in order to survive. So we started to restrict that, and we were very selective as to how we handled that. We felt that if it was a sort of a national thing, where a lot of people from all over the country came into California, and they wanted us to kind of participate, to supply packages of wine for advertising, we did that as a promotional thing. But that was good for us, too. Then we had to stop some of these other things because it was just getting way out of hand.

SENEY: Let me ask you about the marketing order, the Wine Advisory Board, and the Wine Institute, the relationship between the three of those. Could you explain to me how those worked?

LUNARDI: Yes. The Wine Institute was an independent fund. It was solicited through fees on the wineries. When the marketing order is passed, they have to vote on that on a percentage basis. I think it was 65 percent--I may be wrong on these figures--but it was in that range. Either 65 percent by volume or 65 by vote.

SENEY: Of the total number of wineries?

LUNARDI: Right. We had to get over a majority. Then what that did was, it made everybody that was in the wine business participate, whether they voted for it or not. It pulled everybody in. The money that was controlled by the state of California, the Department of Food and Agriculture, they controlled how that money was to be spent. The marketing order established what they called a Wine Advisory Board, made up of a chairman and representatives of the wineries. A public member was thrown in later. The Wine Advisory Board negotiated with the Wine Institute on contracts, for promotion and marketing, for fighting trade barriers, both tariff and non-tariff in other states, and for trying to open up new markets in Europe; this money was used for that promotion purposes. The Wine Institute operated much better than the Wine Advisory Board. The Wine Institute had hired transportation experts, sanitary experts, a PR department. That was set up by one of the presidents of the Wine Institute, Harry S. Serlis. He was also director of public relations. We had some staff expertise in various areas to promote California wines, and so the contracts

between the Wine Advisory Board and the Wine Institute were utilized in that area, under controls.

SENEY: So the Wine Advisory Board, in other words, would contract for you, the Wine Institute, to carry out promotion?

LUNARDI: Promotion, right. Research . . .

SENEY: . . . Fighting trade barriers in other states . . .

LUNARDI: Fighting trade barriers in other states, and even in the Congress of the United States. That money could be used to put on national parties with wine tasting in different areas of the United States and Washington, D.C. That's basically what all that money was used for. It was used to bring California wines to the forefront. It was more than we could do with just the resources that were available to us through the Wine Institute.

SENEY: They were not, that is the Wine Advisory Board, was not permitted to pay for what you did?

LUNARDI: Absolutely not.

SENEY: So this was separate funds from the wineries?

LUNARDI: That's right.

SENEY: Assessed against the members of the Wine Institute.

LUNARDI: That's exactly right. It was private funds, fees that were used to set up my budget in Sacramento and Jeff Peyser's budget in Sacramento. No money that was collected under the Marketing Act could be used for any political thing within the state of California; that was illegal.

SENEY: Now there was a time when Rose [Elizabeth] Bird was Secretary of Agriculture and Services, that there was a problem there. Could you tell me what happened there?

LUNARDI: Well, an assemblyman by the name of John [E.] Thurman [Jr.] who was the Chairman of Agriculture Committee in the assembly, introduced a resolution to have an audit on all different types of agencies which fell under the Marketing Act.<sup>1</sup> We were involved in the Marketing Act, and we were part and parcel of the audit. This was brought to the attention of the Joint Audit Committee, which is made up of assemblymen and senators. When it came to auditing the Wine Institute's Marketing

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<sup>1</sup>California Marketing Act of 1937, amended Cal. Stat., ch. 25 (1967).

Act, or marketing order, there was some concern about why we were involved. The Wine Institute just said, "Well, this is what has to be done. We'll accept an audit; we have nothing to hide." So, consequently the audit was made on the Marketing Act through the Department of Agriculture and everything was found to be in proper order.

[End Tape 8, Side A]

[Begin Tape 8, Side B]

LUNARDI: And that was when Cesar Chavez and everybody was having big fights with the wineries and the growers and everything else. I don't know whether it was because she [Rose Bird] was so close to Chavez; I don't know what the answer was.

I do know that the new Director of Food and Agriculture, that Jerry Brown had picked, was a professor of economics at the University of [California at] Berkeley, I think it was. Was it Douglas? I forget. He was a professor of economics, agricultural economics.<sup>1</sup> Great director. He couldn't stay very long; he had to

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<sup>1</sup>Luther T. Wallace, Director, Department of Food and Agriculture 1973-1975.

get out of there. I always suspected that it was because he was having so much trouble with Rose, and Rose was so close to Jerry Brown.

Please don't misunderstand me, I'm not trying to pick on her, but these are the circumstances the way I saw them at the time. When the audit came out, there was nothing wrong; the Wine Institute had handled the funds perfectly and everything else. This was not satisfactory to her, so she held up, I think, \$350,000 of our money.

SENEY: It should have come from the Wine Advisory Board to the Wine Institute for services provided.

LUNARDI: Right. And she held up that \$350,000 or \$380,000, whatever it was. I forget how long she held it up; it was a ridiculous thing she did. It was to be returned to the wineries. Well, the whole thing was, the way I understood it, that was employee funds that couldn't be turned back to the wineries. It didn't belong to the wineries. It didn't belong to the Wine Institute; it belonged to the employees. That was a big fight.

She had it absolutely in her mind that the Wine Institute was cheating, and she was going to

catch them. She even hired a man to go back to Washington, D.C. to talk to an auditor back there that used to be a personal auditor to a president that we had, Harry Serlis. She couldn't find anything there. So, finally the money was released. But in the middle of all of this, the wineries got together, and the board of directors said, "We don't want to go through this anymore; we don't want any part of the Marketing Act." And they pulled out of the Marketing Act. When they pulled out of the Marketing Act, where we had close to 500 or more wineries contributing to our promotional programs, we dropped way down to around 100 and some members. Of course, [E. and J.] Gallo [Winery] was still there, but we suffered tremendously from this; it was a tremendous amount of funds that were lost.

SENEY: That the Wine Institute lost?

LUNARDI: Yeah. So, we went it alone with no government intervention for quite a few years. By ourselves, we built it up to around 400 to 500 members, built it back up. A lot of work went into that because we had really dropped right down to the bottom. Basically, in my opinion, she [Rose Bird] was the

one that helped create that.

SENEY: When you say you dropped down to the bottom, these were the old functions that the Wine Advisory Board used to contract with the Wine Institute to do, the promotion of the wines, not your political activities.

LUNARDI: What I'm saying is that the whole program of the Wine Institute that was supported by almost 550 to 600 wineries, that promotional program income dropped to about 100 and some wineries. That was a tremendous loss to the industry, or to the trade association, for promotional programs, for research, for contributions to the university; all of these things had to be pulled back. The budgets were cut tremendously, and we just tried to survive under that. In fact, I wasn't too sure they'd even keep me in Sacramento it got so bad.

SENEY: That even, then, affected this separate operation of yours which had been . . .

LUNARDI: . . . Oh, sure. Everything was cut back. Everything was cut back, but they did fund mine because they knew that was important. It was built up. We started to progress; wine sales started to climb, and things got better. But it

took ten, twelve years for that to come back.

SENEY: So, to back it up a point, you are with the marketing order now; that was in 1975.

LUNARDI: But we went a step further. Two years ago I passed a piece of legislation which was called, not the Marketing Act, but a separate wine [and] grape growers commission, which basically runs like the Marketing Act, except that it is a more flexible instrument for the wineries. Because the Marketing Act<sup>1</sup> can be amended by anybody that's in the Marketing Act or not, and that could be counterproductive for the wineries. The Marketing Act can be used by anybody, the prune people, the avocado people . . .

SENEY: . . . Rice.

LUNARDI: Yeah. But this, what we have now under state law, is the California Wine Commission,<sup>2</sup> which is set up on the same basis as the Marketing Act. It has to be voted on, and it also is governed and controlled by the state of California. The state of California collects the funds for that purpose,

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<sup>1</sup>The California Marketing Act of 1937 was amended again in 1986, S.B. 2048, 1985-1986 Reg. Sess. Cal. Stat., ch. 1286 (1986).

<sup>2</sup>A.B. 4262, 1985-1986 Reg. Sess., Cal. Stat., ch. 1287 (1986).

and we reimburse them for any costs. So we have now the California Wine Commission. Everybody that's in the wine business that crushes over 100,000 tons of grapes belongs to it. The others are exempt.

SENEY: There's a certain percentage, so much per gallon?

LUNARDI: That's right. Well, I believe it's on the basis of so much a ton of grapes, because it's easier to inventory because you crush so many tons and you pay so much.

SENEY: Now does this organization, again, contract with the Wine Institute?

LUNARDI: Yes, it does. It works on the same basis; they contract with them. Right. But every contract with the Wine Institute has to be approved by the state, like the Marketing Act. So, it works on basically the same function, except that it has a little more individuality to it.

SENEY: And again you can't fund California political activities from these monies, or can you?

LUNARDI: No. You cannot.

SENEY: So you have a separate assessment?

LUNARDI: That's right. That's right; it can not be used for any of those things.

SENEY: What is the budget of the Wine Institute for the political activities in California?

LUNARDI: Gee, I wouldn't know that one. I think the whole budget is around three million dollars, maybe. I don't know what they allocate for trade barriers. When you're talking about political activities, you're talking about trade barriers against us both in the United States and foreign countries, so you're probably talking about, maybe, \$800,000.

SENEY: For the whole . . .

LUNARDI: . . . That's a big one because you're talking about international as well as national. National and international, and I'm just estimating, you know. I'm just estimating.

SENEY: So the California wine industry is back on pretty firm footing again in terms of promoting and protecting itself.

LUNARDI: Right. So, it's in good shape now, except that wine sales are dropping. Beer sales are dropping, distilled spirit sales are dropping, all of these things are dropping. I think it's because of the social programs that have been in effect. But, that's a . . .

SENEY: It's created a trend away from alcohol consumption.

LUNARDI: That's right. But over all, I think the industry is very healthy. We've produced 90 percent of all the wine in the United States. The second closest to us produces 1 percent; that's New York. We export 75 percent of our product out of state, so there's very little that you would gain by taxing California wines. They got a bill over there for increasing the taxes on wine from one cent a gallon on still wines, to ten cents, and on fortified wines from two to twelve cents. You know what it generates? A measly twelve million dollars, that's all it generates. It doesn't generate any money.

SENEY: The wine industry has been amazingly successful in escaping taxation, both federal taxation and taxation here in California. During your time as a lobbyist for the wine industry, was this your number one legislative responsibility, paying attention to attempts to tax the wine industry and fighting those?

LUNARDI: We watch taxes very, very carefully. When I spoke before the legislature on these issues, we were,

we're very strongly opposed to earmarking. We don't believe that if you're going to tax the wines of California that it should be earmarked for alcoholism programs, for police, or judges, or cities or counties. We believe that if you have a budget problem, and there's a need to generate general fund money, you need a tax program. But tax everybody, so you can have a tax program. If you lump us into a tax program, we'll be receptive to a reasonable increase. But, we will not accept any increase in taxes for earmarking purposes because it's an unending program, and we don't want to be involved in those things at all.

SENEY: And you've been very successful at getting that point of view across.

LUNARDI: I've kept taxes away for twenty-two years.

SENEY: I'm trying to get a sense of how you might work. Clearly, you go to the legislature, and you make these arguments in public hearings; you go to the legislators, and you make these arguments to them across the desk. I'm sure many of them know you, of course, over the years, so you probably don't have to go repeat yourself to some of them. But to the new members, who haven't met you, how do

you make yourself known to them and present the wine industry's point of view? Would you ever try to influence the composition of the agriculture committee in the senate or the assembly as a way of insuring that knowledgeable people, sympathetic people, would be on those committees?

LUNARDI: No. As far as making appointments?

SENEY: Yeah. When it comes to selecting the member. . .

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LUNARDI: That's a very touchy area to get involved in. If there are any lobbyists that are practicing that, that could backfire on them. I always stayed away from that. I figured if I couldn't tell my story to the members of the legislature, why then, I couldn't tell it to anybody.

I had a pretty good argument. First of all, we're a domicile industry. Virginia and Kentucky don't tax their tobacco people to death; that's where all their income comes. They have billboards in those states saying this is what tobacco brings into the state of Virginia. Have you ever seen them?

SENEY: No.

LUNARDI: Well, they have them. I've seen them. So, my argument always was, you're talking about a penny tax, a two-cent tax, a three-cent tax or five-cent tax on a gallon of wine. Go ask the Board of Equalization staff personnel; it's not worth the paper it's written on. And the board backed me up on this. If you put ten or twelve cents on the gallon, you won't get a lot of taxes from this; it's ridiculous. They don't raise much money. You know you don't; if it's a matter of just saying, "Well, we at least taxed you," then fine. But you don't make any money off the wine industry. There's just no way you can make money; it's not a big item. Twelve million dollars sounds like a big item. When you're talking about a forty-eight billion dollar budget, you're talking about peanuts; you're talking about a nickel and dime situation. What does that do to us? You open up California--and nobody wants to believe it's a trend setter--what you do, you open up our wine sales that are exported. Other states say, "California taxed you; we're going to tax you some more." It's an unending situation. This is what scared us; it wasn't California. If we

LUNARDI: consumed all the wine in the state of California that we produced, taxes wouldn't bother us. We'd just pass them on. Where it hurt us is in the other states. You have some states that produce wines that would tax us a dollar and a half a gallon, and they'd tax their wines only five cents a gallon. But, the courts have pretty well stopped that now.

The other thing is--I don't know what the figures are now--I added up the sales tax we generated in California. It is probably ninety million dollars a year just in sales tax in California. Then there are property taxes and license fees. We generate ten to fifteen million dollars in tourism in California. And I'd say, why do you want to tax us? What are you going to accomplish by that? How much are you going to gain? Where is it going to save the state of California? But let me tell you where it's going to hurt us. These are the kinds of stories that I told. These are the kinds of things that they listen to; these were the kinds of things that were realistic. These were not fictitious facts; these were true facts. I put these things

together, and when I talked to them, I didn't care who was on the committee.

You know, you're always going to have the element that's going to say that you should be taxed. Fine, but it was never a majority. We always had the people, "Well we ought to tax you anyhow," but there was always that element out there that said, "Why hurt a domicile industry?"

SENEY: Twelve million dollars, why would a prosperous industry bother about twelve million dollars? But your point is that if you were taxed here, you were afraid that it would be an enticement to those other states to lay heavy taxes.

LUNARDI: Many things happen in the other states. Some of the states say, you know, we can advertise; we can sell our wine in the grocery store, but you can't sell yours. We can advertise ours, but you can't advertise yours.

SENEY: And there's really nothing you can do about that, is there?

LUNARDI: Of course not, because . . .

SENEY: . . . Under the Twenty-first Amendment . . .

LUNARDI: . . . That's exactly right. In fact, under the Twenty-first Amendment we could have prohibition

here; nothing could stop it. Because it says we can control it.

SENEY: That's right. And they can stop only California wine from coming in if they want.

LUNARDI: That's right, and other wine imports, also.

SENEY: I know Rhode Island's . . . [Inaudible]

LUNARDI: Well, they have a problem if they do that.

SENEY: Do they?

LUNARDI: . . . The states, yeah, because then they discriminate. Then they are discriminating. If they allowed no wines or no liquors to come into the state, that would be pretty clear. But to say that no California wines, it would never be upheld in court because that would come under--there is a federal law, and I forget what the name of it is, probably restraint of trade--but you can't do that.

Now, if they eliminated all liquor from coming into the state, then they would have sound grounds because the constitution says they have control over the importation of all alcoholic beverages. That's why you can't mail liquor. You can't ship liquor over the border from here to Nevada or Nevada to here. It's against the law.

You can't do that. You have to have an outlet. Everybody's licensed to go into the other states. You have to do it by common carrier, licensed to pick up, licensed to distribute over the border. It's all got to be documented. There is no free commerce or trade in alcoholic beverages, none whatsoever.

SENEY: Did you ever go into other states yourself and lobby?

LUNARDI: Never.

SENEY: How was that handled?

LUNARDI: We had other people. I guess it went by when I said we have people that handle the trade barrier problems. We have lobbyists. . . .

SENEY: And that would be under this heading, trade barrier problems?

LUNARDI: We have one account in California. They have one, two, three, four, about five lobbyists throughout the United States.

SENEY: Who handle various states.

LUNARDI: Yes. Plus we [the Wine Institute] have an office in Tokyo. We have an office in New York. We have an office in London. This is under the [Wine] Commission. We have to fight the [European]

economic community on trade barriers. We're trying to promote more wines--I should say "they" now, because I'm not with them anymore--in Tokyo and those areas where it's picking up. They have an office in Canada.

SENEY: What other things would you handle here in California for the Wine Institute besides keeping an eye on the taxes?

LUNARDI: We look at all agricultural legislation and pesticides and things like that. I never got too much involved in this. I let the agricultural people take care of that.

SENEY: How do you mean, the agricultural people?

LUNARDI: Oh, you've got the Farm Bureau. You've got the [California State] Grange. You've got the [Agricultural] Ag Council. You've got all of these others that get really involved in that stuff. And I kind of stayed on the perimeter of it. I didn't get involved into the labor problems either, because there are so many I.O.U.'s out there. I tried to be as low-keyed as I possibly could and not get involved in all of these issues.

SENEY: What did you mean, a lot of I.O.U.'s out there?

LUNARDI: By I.O.U.'s I'm talking about overexposing yourself in the legislature. Every time you turn around, the legislature sees you. You keep asking for something, for this, or that, and after awhile you sort of say to yourself, "Well, how many times can you keep lobbying these guys?" So I just always kept a low-key working profile. I didn't have to go around lobbying them all the time.

SENEY: By I.O.U.'s, you mean with the legislature.

LUNARDI: With the legislature. Not monetarily.

SENEY: No, no.

LUNARDI: In other words, how many times can you go to a legislator and say, "Hey, I want you to give me a hand on this." Or be involved in that same committee all the time like agriculture, where you have pesticides, all kinds of grower problems. You've got collective bargaining. There is a series of things in agriculture that you can get involved in.

There is a dealership act. Even the newspapers were on to that; they get an agreement for the wholesalers to handle your product, like they do dealers to handle the newspapers. The funny part about it, the newspapers and the

LUNARDI: wineries are under the same category. They are pretty good allies. Because without those you don't have the little boys delivering the papers, and the distributors. So there's always bills that the big franchise people try to take and umbrella us under their act, and put restrictions on. So we'd have problems in that area.

Of course, with different types of taxes and regulations, a lot of alcoholic beverage bills that came through sometimes would affect us. There was a tremendous amount of bills in all different categories that would affect the wineries. Any time you touch the business and professions code in the area of alcoholic beverages, we were right there watching to make sure that it didn't affect the operations of the wineries.

We were defensive, mostly. A very interesting thing, in the twenty-two years that I was with the wineries, I don't know if I put in ten pieces of legislation. We were mostly defensive. The attitude of the Wine Institute, the vinters of California, was basically, just leave us alone. We're not subsidized by the

state. We're not subsidized by the federal government. Let us run our show. Don't tie our hands. It was a pretty good feeling to be in that position. A lot of agriculture is subsidized. The only place that I know for wine, and that goes for any vines, not just grapes, is that once you plant them, for the first three years you are exempt from taxes. Even fruit trees were in that category.

SENEY: It's four years for fruit trees.

LUNARDI: Is it four years? So, outside of that I don't know of any place that the wineries are subsidized by the state. We pay for everything.

SENEY: Now, you don't have anything to do with raisins or table grapes. That's a whole other. . . .

LUNARDI: If it didn't make wine, we didn't have anything to do with it. Just the grapes that are wine producing, for wine purposes. I was involved in that and vinegar.

SENEY: One of the problems, historically, the wine industry has faced is the problem of pure wine, of wine adulteration by unscrupulous operators. Did you have much to do with that?

LUNARDI: No. Europe was involved in a lot of that. Italy worst of all. They suffered by it, and probably not out of it yet. You see the interesting thing over there is, the government subsidizes the wineries over there in Europe. They put in a lot of money.

SENEY: So the Europeans are the ones who have the problems recently with pure wines. Because that was a problem before Prohibition in California . . .

LUNARDI: What they were doing was cheating. It backfired on them and rightly so. But all that wine was shipped back, and they paid a healthy price for it. I think they were reprimanded very severely by their government. Naturally they had to do that. Because Italy makes so much wine they can't even drink it all over there. But you talk about wine drinkers. We don't drink any wine here by comparison. What do we do, maybe three gallons per capita in the states. Over there, thirty-five gallons per capita, France, Germany. Not Germany so much, but France and Italy. They consume a lot of wine. Unbelievable.

SENEY: There has been some suggestion that it's all the trade barriers in the states that have made it kind of impossible for this sort of wine consumption culture to grow in the United States. There, of course, you are talking table wine. People are drinking it largely in moderation.

LUNARDI: That's right. Where the wineries are concerned, if California, and all of the states in the United States agreed that we could sell wine in the grocery stores, all the grocery stores--which you can't in some stores--they wouldn't care if they sold a drop of wine in Europe. They'd have so much business just in the grocery stores. It's unbelievable.

A lot of people say, "Well, what do you mean? We're pretty liberal here in California; we must have 65,000 or 75,000 liquor licenses of different types." You look at these different states, some of these other states only have two, three types of licenses. You have control states, where the states own the liquor stores; it's a different situation. It's a different world; people here don't understand that. In some parts of the United States, they have a liquor store, and you

have to walk through a certain door in order to buy it. Because sometimes if it's contiguous to a grocery store, they won't even let you sell liquor. They have some crazy laws in some of these places. In Virginia, the laws vary from county to county; thank God we at least have uniformity here that can't be touched except by constitutional changes. I was in one county in Virginia, and my wife and I sat down to have a glass of wine, and they said, "We don't allow wine to be sold here. You want a highball or something like that, we've got a highball." You go to the next county, they don't sell distilled spirits, they sell beer and wine. I couldn't believe this; it was just crazy. And this is county by county; it would only take you about ten minutes to go across the line, you know. It just was unbelievable. These are state laws without uniformity. It didn't make sense to me.

SENEY: Well, that was the price that had to be paid to repeal prohibition.

LUNARDI: Oh, sure. Because Oklahoma was dry--you know, Oklahoma state had been dry for years.

SENEY: And Mississippi.

LUNARDI: Oh, sure. Southern Baptist, Baptist belt states were the ones that stayed that way, and [President Franklin D.] Roosevelt was smart enough to understand that. All of these things that happened in those days and I look back and say, "Everybody should drink in moderation if they want to drink. You don't have to drink; you're not going to die if you don't drink." I understand all of that. But certain religious people are out there crusading as prohibitionists and don't want to admit that they're prohibitionists. What they did to this country in the roaring twenties, they ruined this country. They brought in the mafia, they brought in the underworld, they brought in all of this bad liquor that killed a lot of people. This was prohibition; this is what they wanted. I can't understand why they can't see that, that we can't allow that to happen.

If we're going to have alcoholic beverages, then let's license and control it and make them pay a price for it. They're going to distribute it and sell it, so at least we can get some revenue from it to run our government.

You know, the thing is that--somebody made a study of this, and I wish I'd have saved it--there was as many alcoholics during the prohibition as there is now, per capita. They were wild in those days.

SENEY: Liquor may have been easier to get in many places.

LUNARDI: Oh, sure. I can remember as a little kid when they used to have the vegetable wagons in Roseville and the guy would--I used to see him do that--bring out a flask of wine, I mean of whiskey, I used to watch him. They used to have it in the carts, in with the vegetables. I used to smell them making whiskey down the alley from my house where I live right now; you could smell it, you know. And my dad would go like this to me. I'd say, "Hey, it's starting to smell like liquor," or something. My dad would hush me, and tell me to say nothing.

SENEY: Well, during prohibition of course, wine grapes flourished because you could utilize them to make your own wine. The number of acres of wine grape production actually soared during prohibition, and it created a glut on the market.

LUNARDI: Well, they allowed 200 gallons to be made per family; you got a permit. And most of them made 300 gallons, as long as you didn't sell it.

SENEY: Served in your home.

LUNARDI: If it was served in your home, then there was no problem. And a lot of it was made that way; my dad made wine all the time. And we had it on the table all the time; I never drank it. I had no curiosity. It was very funny, you know, people say, "You had wine when you were young." But I never touched it, and it was on the table all the time. Just like a picture frame that you see all the time, you pay no attention. I knew it was there; I didn't like the taste of it. I was a young age, you know, and I just didn't like the taste of it.

[End Tape 8, Side B]

[Session 4, March 30, 1989]

[Begin Tape 9, Side A]

SENEY: Good morning Mr. Lunardi.

LUNARDI: Good morning Mr. Seney.

SENEY: I want to talk some more with you about the wine industry and the way the wine industry got it's point of view across to the legislature. Now you mentioned the last time we talked that the wine industry was primarily a defensive lobby, that you were not interested in getting things passed, but were more interested in stopping things from being passed.

LUNARDI: That's true. In the twenty-two years that I served in that capacity with the Wine Institute as their representative, if I can recall, I think I passed twelve pieces of legislation. Most industries have legislation going in every year. The wine industry, as I indicated, was mostly defensive; they wanted the status quo. They didn't want any subsidies. They wanted to operate their wineries in California under the present

regulations. They didn't want those altered, or any barriers put before them and the distribution of their wines by the state. So consequently that's why they were always defensive; that was basically what I did.

The position of the wineries with the legislature was naturally a historical one, because it started way back in the 1700s when the missionaries came to California and started their little wineries. Then they ran into the depression, and that deterred the progress quite a long time, and they were making wine just for the family.

SENEY: You mean prohibition?

LUNARDI: Prohibition, right. What did I say?

SENEY: Depression.

LUNARDI: Oh, depression. Well, there was a depression, and then prohibition. I beg your pardon, thank you for straightening me out on that. Of course, that [prohibition] was repealed in 1935. [Before repeal of prohibition] they were selling grapes mostly to families who were allowed under the federal law to make 200 gallons per family. A

LUNARDI: little of it was sold for religious purposes.

LUNARDI: Outside of that, it was quite a depressed industry. During World War II most of the wine that was made was distilled for military use.

Then after the war, the Wine Institute started to pick up. They started to make some fine wines, and now they're highly recognized all over the world. They [the California wine industry] make over 90 percent of all the wine produced in the United States. California exports about 75 percent of its product, so they also have great concerns in other states in the field of taxes and trade barriers that could hinder the markets in other states. There are some states, that we call control states because their alcoholic beverages are sold through state stores, and there's a lot of restrictions. Some states don't allow advertising of out-of-state wines, but they allow advertising of their domestic wines. That's starting to change now. We're trying new markets, like grocery stores. In California we're pretty liberal when it comes to the sale of alcoholic beverages, and selling in grocery stores. Some states don't allow that, but little by little some of the states are changing.

The Wine Institute has been very cautious concerning social behavior, and the problems of alcoholism. They developed, and have been working on since 1947, a code of advertising standards; I don't know if I mentioned this before?

SENEY: No, you haven't.

LUNARDI: Under the Code of Advertising Standards, for example, if it's a California wine, you never see sexism. You never see anybody that's twenty-five years of age or younger that are in the advertisements on television. You don't ever see California wine advertising involved in sport events. You'll notice that it [the industry advertising] shows vineyards, and the family sitting down to dinner, having wine in moderation with their meals. They stress that very strongly, and they've done a good job at it. They're working with the youth on alcoholism problems, drunk driving, and situations that are of serious concern to the citizenry today. I think they've done a pretty good job . . .

SENEY: . . . In that regard . . .

LUNARDI: . . . Of course, it will never satisfy everybody, but at least they're moving in that direction. I

think everybody is moving in that direction now.

SENEY: There has been some criticism of the wine industry and some of the larger wine producers because they do produce low end market products that cater to what we would, I suppose, call the wino community. There's been some criticism of that. Could you comment on that?

LUNARDI: Well, you'll always have that regardless of who produces wine. The name "wino" basically, was because of the fact the poor alcoholic on the streets would purchase an alcoholic beverage that he could afford to buy. Wine, naturally, was one of the commodities with more alcohol in it than beer that was receptive to them both in price and in accommodation.

SENEY: Do you think to some extent that the advertising you mentioned is an attempt to counteract that kind of image?

LUNARDI: Yes. And they have always tried to change that image of wino. They probably never will because that is a phrase that never ends. It's like we talked about Jesse Unruh, "Big Daddy", and he carried that all the way to his grave. It's a situation they probably will never get rid of

because you'll always have that element on the street, unfortunately. I don't know any way you're ever going to cure that. I mean, you're going to have alcoholism problems no matter what happens. You had alcoholism problems during prohibition. I saw some statistics--I can't qualify that article at this time--where per capita alcoholism was just as prevalent in the prohibition era as it is today. Today we recognize the problem as a very serious disease, and we are trying to do something about it. We talk about it more freely, thank God.

SENEY: You said in your twenty-two years as the Wine Institute lobbyist you maybe sponsored a dozen pieces of legislation. Can you give me an example of the things that the Wine Institute wanted to get passed?

LUNARDI: I can't remember all of the legislation right at this point. A lot of it was just amendments to legislation. One of the things that was unprecedented in California was allowing a winery to have a bonafide eating place on its premises. I put that legislation through, and there are a few wineries that have done that. It's a very

expensive process, so they didn't get into it in a big way. I think the first one that went into effect was at Cucamonga, by John Ellena. He went bankrupt in his restaurant facilities. You can lose money doing that, so it didn't take hold, but there are some that do it. That was one piece of legislation.

We also introduced legislation to pass after the Marketing Act [to form] a wine and grape grower commission, that was a joint venture between both the wine grape grower and the vintners. They worked on that for about a year. In doing so they assessed on a ton basis for each ton to bring in extra revenues for promotion.

SENEY: This came to the Wine Institute, these funds?

LUNARDI: Well, it came to both the growers and the Wine Institute. The commission was set up 50 percent wine grape grower and 50 percent vintner, and one public member. So that worked for about a year, no, about three years. It went on for about three years. It didn't seem to work well with the vintners and the growers. There was always some sort of jealousies involved. One was trying to outdo the other. Consequently, the harmony kind

of broke down.

Then the next legislation we put through was a Wine Growers Commission. I think maybe I mentioned that. That is presently in effect, and the wineries are working as a commission on that. They are all vintners. There are no growers.

SENEY: I take it the growers and vintners discovered that sometimes they had contrary interests and couldn't always work together.

LUNARDI: That's true. It was unfortunate that that happened because it could have been a very harmonious operation which would have been beneficial to both sides in the promotion [of wines], because you can't make wine without grapes. They relied upon each other, even though some of the vintners have a lot of vineyards of their own. Some of the vintners don't have enough vineyards to make the amount of wine necessary for their markets. There has to be that independent element that produces the grapes. So there has always been some petty situations; I always considered them petty in some ways, and in some ways they were major. Let me say that all of the growers in the state of California did not have

LUNARDI: dissensions with the wineries, as much as the others, in going to the legislature and asking for relief. But there was one association, called the California Association of Wine Grape Growers, which were very vocal; they wanted many things to be done in the state of California, and it hindered on the vintners of California. So consequently we had some interesting battles there concerning their legislation. Basically, we worked with them on a lot of it, and I tried to compromise in some of those situations.

If I back up just a little bit, in the 1970s, the Bank of America came out with their Agricultural Economic Report; in that report they had indicated that in the next ten or fifteen years wine grape growing was going to have a big boom. So, consequently, everybody who wanted to invest money and have write-offs decided to buy vineyards and acreage and put in grapes. What happened was that this big boom didn't occur, and you had people going into the wine grape growing business that had no experience in the field. Then you had those that went out at that time and grew a lot of red grapes. Then the society

LUNARDI: changed its drinking preferences, and at that moment we had the health kick and the joggers, and they started switching from martini lunches to white wines. It was the youth and the health kick that got them into the white wine drinking at the on-sale premises. It became a big boom. Very seldom had you ever heard somebody say, "Give me a glass of wine", at on-sale license premises. They usually kind of look at you. You probably remember that. Well, now if you go to an on-sale premises, you'll notice that there are many people drinking wines. These are the young people who are doing this. People used to drink martinis or bourbon, and things like that at lunch if they wanted to have something. This changed the complex of markets tremendously. These people who had done all the big investing and put in a lot of red grapes--the ones who put the white grapes in were in pretty good shape--had real problems because the markets weren't there. The rush to make white wines was very large, and it started to really steamroll during that period. So the growers immediately started to have problems and started to complain that they couldn't sell

LUNARDI: grapes. It was a matter of supply and demand. It was a very simple economic problem. They made some mistakes. It's like investing in the stocks.

So they'd come to the legislature, and they said that if we can't sell grapes, could we get them custom crushed through the winery, pay them for crushing, and hold the wine in the cooperage until such time as we could find somebody to sell it to, even allowing them to sell to somebody else. Well, we had some concerns about that. They [the grape growers] wanted to be a winery, and not have all of the federal and state restrictions and regulations that were involved in wine making. Those restrictions are very tough. So we figured, well, no, we don't think we should allow this. If you want to make wine and have it crushed and you want a market for it, then be a winery. All you have to do is apply to the federal government and why if they approve, the state automatically approves it. You can put all of your wine in bond and be a vintner. Well, they didn't want to do that. Then we negotiated a little. So we said, O.K. We'll allow you to have custom crushing," and protect them. We didn't want them to go out

LUNARDI: of business because we may have needed them later in the future. So consequently, we allowed them to do that, and to sell to wineries and to distilled spirits wholesalers and distilled spirits manufacturers, and to vinegar producers. So, that gave them some outlet.

Later on they came back; they wanted to expand it. So we let them expand it a little bit, to give them some kind of an out. So every year they came back and wanted to do more. I think they should put a stop to it and say, "Look, you know, you are allowed to go so far, and we are going to stop you." I think the wineries should stop them now. I was instrumental in those negotiations. I think it was good for the growers. It gave them at least an outlet if they didn't sell their grapes.

But then there is also the necessity of the wine grape grower to diversify their plantings and get back into the white wines more, if it is necessary and meet the markets. Some growers have done this. They've taken a lot of their red grapes out and planted some white grapes. Then all of a sudden there may be a switch and the red

grapes might come back into production again, where the red wines are the ones that are going to be prominent again. They are climbing a little bit. So it's a matter of balancing your crops so as to meet the market demands; it's not an easy field.

SENEY: I take it that this is kind of a description of outsiders being lured into wine grape growing.

LUNARDI: That's right. Then, not only that, not only that, Mr. Seney, there is also the experienced grower that made mistakes. A lot of them made mistakes and so they were hurt, too, good grape growers. So it's just a matter of investing in the wrong supply side, and that's expensive.

SENEY: Can you give me some examples of the kind of legislation you would defend the wine industry against?

LUNARDI: Taxes was a big one. Yeah, we talked about that.

SENEY: What else would there be besides taxes?

LUNARDI: Well, we always had great concerns about how far they went into the labor collective bargaining situations. They usually resisted that, even

LUNARDI: though most of them now belong to the unions. But to increase the power of the [union] was always an

LUNARDI: area they were concerned about. I never involved myself too much in that. Usually the agricultural people, like the Farm Bureau and the Ag Council, and some of those, usually fronted on those bills. I very seldom would involve myself there. But we had concerns. We had concerns about the growers' intrusions into the vintner production field, as I just mentioned. They are still doing that. That probably won't stop; it's a field they will be watching all the time.

But the most important thing to them is over excessive taxes, earmarking. Earmarking is a very, very touchy subject with the wineries. And it should be because it is a run-away program. They would be more willing to be taxed on a general fund basis, if it is necessary, than to be taxed on an earmarking basis for alcoholism and drug abuse programs, because there is no way you can audit these. Or for earmarking for the law enforcement, we figure we have nothing to do with law enforcement. We shouldn't be taxed and earmarked for those purposes. They [the Wine Institute] did take the position that if the general fund needed revenue, and there was going

to be a general tax program, that we would volunteer to be a part and partial of those negotiations. We would not be negative. So that is about the position they took.

SENEY: I wanted to ask you about money in regard to the legislature, because campaign contributions are a vital part of the lobbying process, and the legislature certainly needs the campaign contributions. Could you tell me how you handle that?

LUNARDI: Basically, we never made any contributions unless they were requested. The format around here is that they have fund raisers. Everybody solicits you, the whole 120 legislators solicit all of the lobbying firms. We'd look at these and decide whether we could meet the request for the amount. Some of them were for \$500, some were \$250, and some for \$1,000. Sometimes we could not meet the requests because we actually had a pretty low budget; we didn't have a tremendous amount of money.

SENEY: How much would you spend in a year?

LUNARDI: Oh, probably, \$65,000 a year.

SENEY: For campaign contributions?

LUNARDI: Yeah. Which was not a big amount. We basically used to give to everybody even though they weren't really friendly to us. We did that for the purpose of having at least an entree. So we could come in and talk to these people; they knew you, and they knew we were contributors. That didn't mean that they were going to vote for you. Anybody that gets the idea that just because you make a contribution somebody is going to vote for you, that's wrong. They [legislators] have a great concern about the district they are elected in, and I think that is their big priority. Naturally, that's the only way they get back into office, how you handle your district, and what the issues are within that district. If they figured it didn't hurt their district, why; they'd give you a vote if they agreed with the facts. It wasn't a problem.

That's true of any organization, whether it be a county or a religious organization, or any other lobbying firm. Today it is really getting way out of hand because they have upped the antes and the costs; everything affects them because everything else has gone up for them too.

LUNARDI: Television is high. Stamps are up. Your direct letter communication costs have gone up tremendously. It has become professionalized. You used to be able to get volunteers. I don't think you have as many volunteers as you used to have. People are too busy in other things. I don't understand why years ago when I was running people had more time to work on your campaign, than they do today. Maybe they don't. Maybe they still have as much time to do that, but it doesn't look like that's the case. They hire top professional campaign managers that handle these affairs, and I say it is professionalized. So this is costly. I don't know what campaign managers cost. I never had one in my political career, but I imagine they are expensive. And campaign contributions, as you indicated, are a necessary evil. They will continue to be. Now [Proposition] 73<sup>1</sup> has put some restrictions and limitations, and I think it is healthy. I think it at least holds it down. We don't know today until they get through really analyzing the whole context of that initiative, just where anybody is

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<sup>1</sup>Proposition 73 (1988).

in contributions. But I think that contributions, sure, have a great influence, a great influence.

SENEY: Let me ask you if there are any members of either the senate or assembly that were particularly helpful to you, that you could rely upon one way or another?

LUNARDI: Yeah, usually the rural legislators. They had that agricultural land, so they were always pretty supportive to agriculture in the wineries of California naturally. They are one of the fourth largest agricultural businesses in the state, the fourth largest. I think cotton is first, then it dribbles down, and wine grapes is about fourth. I had a lot of support from rural legislators. However, sometimes rural legislators had a little problem with it because of the grower element; they were also supporting the growers. So when we had our little differences, we had a little problem there. We lost some votes because of that. Of course, the Farm Bureau on the other side was supporting the grape growers, because they were members of the Farm Bureau, as well as being members of other organizations. So we had some problems there.

Some urban legislators that didn't have any grapes or any agriculture in their district were very helpful in many cases because they can vote anyway that they wanted to. It wasn't going to affect them. They didn't have anyone growing grapes. They didn't have anybody making wine. They didn't have anybody growing cotton. They didn't have anything. Like San Francisco, Los Angeles and those areas. There was always somebody out there willing to help in these areas, but the issue was very controversial. You'll find the papers intervening and coming up with their opinions.

SENEY: Were there times when the wine industry had to deal with this kind of thing?

LUNARDI: Yes. The papers have always talked about the wine industry not paying enough taxes because of the one-cent tax, you know, per gallon. It doesn't raise any money, so a lot of people, including the newspaper people, didn't understand that.

SENEY: Did you ever meet with them about it?

LUNARDI: Oh, sure. Sure we did. They would say, "Yeah, O.K. Yeah." But then if you talked about putting a sales tax on newspapers, then that would have

been another different thing, because they don't pay sales tax. And they'd say that would be interference in the First Amendment of the constitution, and that's baloney, too. It depends upon who's getting penalized.

Then there was a time when our people were against couponing. Couponing was a piece of legislation that we wanted put through, to disallow the use of coupons to sell alcoholic beverages.

[End Tape 9, Side A]

[Begin Tape 9, Side B]

LUNARDI: We thought with the alcoholism problems, and the social concerns that were out there, very prevalent, that this would not be a good thing for the wineries of California, to allow them to have couponing. I think there was a lot of justification to that.

SENEY: But you lost that one.

LUNARDI: Yeah. We lost that one. Very frankly, I could have gotten it out of committee, but Willie Brown didn't want it heard. I think the Seagrams people were really strongly opposed to that. He didn't want a big battle on the floor over that between

the Seagrams' and the liquor people, because we had liquor people in favor of it. We were the ones who were opposed to it. We didn't lose anything when they wouldn't hear it.

[Assemblyman] Richard [J.] Alatorre was the chairman at that time, who's now a councilman down in Los Angeles. I still think it ought to be prohibited. But it's really not being used a lot. I don't think it really pays off much to have those coupon promotions.

SENEY: Which committee was that?

LUNARDI: GO committee. Governmental Organization. It's basically where all alcoholic beverages go. So I said, "Fine, you're not going to hear the bill."

SENEY: And the newspapers had something to say about that.

LUNARDI: I forget exactly how the newspapers spoke about that; it had an advertising income potential to it. I can't remember what the arguments were.

Then we had another piece of legislation that the newspapers were really opposed to. We were trying to preclude people from coming into the state of California and selling through an importer, and then going direct past the

wholesaler and selling to the on-sale retail outlets. That circumvented the wholesale control factor because they were coming in at a less cost and they were undercutting, and that's still being done. It's like bootlegging over the borders. Legitimately, it's done legitimately. It's not illegal, but it's an area that we tried to stop from doing it.

SENEY: These being foreign wines.

LUNARDI: These were foreign wines, yeah. And of course, they were going in through a U.S. brokerage operation. They would filter them through different agencies of private enterprise. I don't want to say agencies, but different licensees, and it's big business. They are still doing that. Of course, the newspapers were opposed to us on that. They said we were trying to interfere with free enterprise, and all these different things they came up with.

SENEY: What do you suppose the real reason was?

LUNARDI: Well, I think that was legitimate. I think they were legitimate in that. It was the way they felt. And this was true because we were trying to restrict that element. It was an economic thing

with everybody, on our side, and it was an economic thing with them on the other side. [Dom Perignon], the champagne from France--I can't think of the name right now--that was a big item. They were saying that if you closed the gate on their importation of that champagne into the state of California, that you would be paying eighty dollars a bottle for it, where now we can sell it for thirty-five dollars. So the papers were saying this was going to be an increase to the consumer. They were right; it would be an increase to the consumer. However, the Ministerial Association and people like that were very happy to support that bill because they figured the more it cost, the less people will buy it; so they had an interest in the bill. They weren't too vocal, but they were involved in the bill; they were on our side. But it did not go anywhere.

SENEY: What about relationships during the time you were with the Wine Institute; Mr. Reagan was governor, Jerry Brown was governor, and Deukmejian was governor. What kind of a relationship did you have with those governors?

LUNARDI: I had a very good relationship. One of the things that the Wine Institute--I always say Wine Institute, which is a trade association--one of the very fortunate things about the wineries of California is they are a great domicile industry. They contribute tremendously to this state, and I think I mentioned that, the employment and land taxes and fees and sales tax, it must be \$100 million a year just in sales tax in California. And I think all governors recognize this. You don't do too much to try to injure an industry unless they're really asking for it, and the wineries weren't doing this. The wineries weren't coming in asking for favors or subsidies of any kind. Jerry Brown, as liberal as he was, was more conservative than Governor Reagan. Governor Reagan had a billion dollar tax program, though he didn't touch wines or alcoholic beverages. Jerry Brown never had a tax program. Jerry Brown didn't believe in taxing beer and wine; he believed in taxing distilled spirits. He said, "Beer and wine is a grocery commodity. People go the grocery stores, and they buy beer and wine all the time. I don't want to tax beer and wine. We don't need

LUNARDI: the revenues and besides that, as far as the wine is concerned, it doesn't raise enough revenues because of the export factor." So, we had a good relationship.

Since I've been retired, the Wine Institute has gone to the legislature and asked for an increase in wine taxes; and that increase is from one cent on still wines to ten cents, and on fortified wines from two to twelve cents. No tax on champagne, which is now thirty cents and no tax on brandy. The reason for it is, they felt that if they came to the legislature and asked for an increase in taxes, this would circumvent the initiative that is being considered. That initiative includes earmarking, and the taxing of wines on a national average, which is about sixty some cents a gallon. Somebody has said that is a national average in taxes; well, that's a fictitious number. I always argue about that. Who comes up with the idea that that is a good national average? Why should we consider ourselves being involved in a national average? You have states like Florida who charge \$2.25 a gallon for wine. The neighboring state probably

charges a dollar for a gallon, or maybe fifty cents or maybe five cents for a gallon of wine. When we talk about national averages, you'll always notice that the states that have the highest taxes are not the producers of the commodity. It's like Virginia, Kentucky, they have signs, billboards telling the people how much revenue is brought in by the sale of tobacco. You don't have high taxes on tobacco in those states. It's their industry. That's their big commodity; revenue comes from that commodity.

SENEY: So this is an end run, you think, around this initiative that's being proposed?<sup>1</sup>

LUNARDI: Yes. The wineries believe that this a way to circumvent the initiative. That's fictitious; that's not going to happen. If I was still working with them at that time I would have told them, "Don't do this; you're too early to make a decision on this, besides you don't know whether it will ever qualify. Secondly, you've got a better argument as a winery and a beer industry than the tobacco people had; [you are] much, much

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<sup>1</sup>Proposition 99 (1988) imposed a twenty-five cent tax on each package of cigarettes sold in California.

LUNARDI: stronger in California. You've got a domicile industry that's been here so many, many years; that's highly recognized. You have the bread basket atmosphere because of the grocery stores; you've got a lot of arguments. You can attack the earmarking on the basis that's there's no control, no audit controls involved, and when they run out of money they'll come back and ask for more." I think a lot of arguments, a lot of changes, a lot of issues can be brought up. It's much different than the tobacco thing.

When you look at it from a medical standpoint, nobody questions the fact that cigarettes probably kill more people than alcohol. And the wineries are always talking about moderation. Beer has a very low alcoholic content, so you've got a lot of different arguments; a lot of different issues involved than tobacco. The thing that I also would understand is that Deukmejian isn't going to sign a piece of legislation with taxes. He said this when he first became governor. He has two years to go; can you imagine the governor of the state of California--Deukmejian sitting over there--is

going to sign a wine tax after all those years? It doesn't make sense. So I don't know where the wineries are coming from; it just boggles me to think they'd even attempt this. And if the governor would sign that piece of legislation and increase taxes, I don't think it would have a bearing on what the people think about alcoholic beverages today. You'd still have the opportunity to fight them on the issues I just mentioned. But if it didn't work, they could have both unless there was a sunset clause in the other piece of legislation that said if an initiative passes, these are cut off, which I presume they'd have to do if they were smart. But the governor isn't going to sign that bill. I'm sure that he will tell the Wine Institute that he will not sign that bill. It's in his hands now; I know that's what he's going to tell them. There's just no question about it. So, that's where they're trying to get this tax bill in.

SENEY: This smoking initiative, Proposition 99, obviously has them running scared on this issue, in the threat that this is going to be brought up by others.

LUNARDI: Well, those petitioners and proponents of that legislation [Proposition 99] indicated that if they got this through, they would also try this on alcoholic beverages; there's just no question about that. I think Assemblyman [Lloyd G.] Connelly is talking about a piece of legislation. He wanted to introduce a piece of legislation that would tax us on the national average, which is opposed by the industry because it's outrageously high. The reason for this is politically smart; he figures if the industry votes this down in the legislature knowing the governor wouldn't sign it, that he's got a good argument for the initiative. He can say, "Look what the wine industry did in the legislature. They killed this piece of legislation; now we've got to go to the initiative." This would stir up those people. So, it's a pretty smart proposal.

But what I would do if he introduced it and I was working for the wine industry, is let it pass because the governor isn't going to sign it. The governor would kill it himself; he'd have his people out there trying to kill that bill because he doesn't want it on his desk.

SENEY: He doesn't have to be faced with that decision.

LUNARDI: Of course not. He's not going to run anymore, but there's no question he would veto it. Even if we went in and supported it, he probably would veto it.

[Interruption]

SENEY: We were talking about the bill that Assemblyman Connelly had in to raise taxes. You said your advice to the wine industry would be to let that go ahead and go through, and you thought the governor would veto it.

LUNARDI: Yes. Well, since our discussion, I discussed this with one of the governor's top staff people, and he indicated to me that the governor will not sign that bill, regardless of what the Wine Institute proposes. He will not sign a bill that only generates ten million dollars because as far as the administration is concerned that is not a large amount of income compared to the billions of dollars that it takes to run the state. Besides that, if they approve this small increase, they would be open to support other tax increases. In view of his philosophy since he's been in office that he will not sign any tax bills, I'm sure that

LUNARDI: unless a crisis happens between now and his last two years of his term, that he will not sign any. But if it were necessary, he would do that on a general tax program, which would generate, maybe, a billion dollars and not a small amount that is proposed by the wine industry.

Now that the governor has made that decision and has notified the wine industry that he will not sign that piece of legislation, I don't know whether or not the wine industry will continue to pursue this. They might say, "Well, we're going to pass it anyhow and put it on his desk." I don't think that's politically smart because it could alienate the administration; they don't want that on their desk. They may carry it to a certain point and then drop it, to show that they've shown due diligence in attempting to at least tax the wine industry. The wine industry can say, "Look, we tried in the legislature. You people have always argued the fact that the lobbyists have killed the tax bills in Sacramento, but here we volunteered, and it wasn't accepted by the administration. So, we would like to, at least, have something to say about what goes into

LUNARDI: the initiative." Now in my opinion, the initiative proponents wouldn't even discuss this with the wine industry, the beer industry or the distilled spirits industry. I don't think those who are interested in the earmarking part of it, whether it be the alcohol and drug people, whether it be the enforcement people, whether it be the counties and the cities that may need the money to generate more income for them because they're down low in income because of Prop 13<sup>1</sup> will discuss it with the wine industry. It's not a matter of just the industry being opposed to taxes, it's also those who are interested in receiving the money having some difficulty agreeing upon a solution. So, the initiative tax program is still in limbo. I personally believe, and this is not maybe the belief of the industries, that the most painless method to receive revenues from the alcoholic beverage industry--which would be a method to assist the counties, which the counties would support very strongly--is what they call a "tipplers' tax." I don't know if I discussed this before.

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<sup>1</sup>Proposition 13 (1978).

SENEY: No, you never talked about this.

LUNARDI: A "tipplers' tax" is what you would charge on on-sale liquor distribution, the bars and the restaurants that sell alcoholic beverage by the drink. The tax can be five cents or ten cents a drink. This is not a new approach, but it hasn't been talked about for quite some time.

The city of Los Angeles put in a "tipplers tax" at one time, but the courts threw it out on the basis that they have no authority to institute that sort of a program without a constitutional provision. A "tipplers tax" would be the easiest to collect, plus it would generate this money for the counties, and the counties are the ones that need the money. The counties would be the ones that would tell who would receive this money, because they're the ones that would get it into the general fund. They could say, "Within the counties, we'll give so much for law enforcement, we'll give so much for alcohol and drug abuse programs, or the poor, the disabled, or some for welfare, or whatever." I think this might generate more enthusiasm with the counties. I would rather see the state collect the "tipplers

tax", however, so that the state could distribute it properly. It could be audited so that it wouldn't be used for unnecessary things, things that a city council or board of supervisors might just [determine]. I think the state should determine how it's going to be used, and also it should be audited and controlled. So that's another idea.

SENEY: Do you think that the political climate in terms of alcohol has changed to such an extent that the wine industry is going to have to accept some kind of taxation now?

LUNARDI: Of course they are. I don't think that any industry, whether it be the wine industry, the beer industry, or the distilled spirits industry should accept anything until it is absolutely necessary. I always felt that if you are going to have a tax program that everybody should be included and nobody excluded, even though it was a nominal amount. Instead of hitting somebody big, hit everybody on a nominal basis. This way you have a better acceptability of a program. But you get people who decide, "Well, we should hit the wine industry or the beer people, or the tobacco

LUNARDI: people, or the doctors or the lawyers," or somebody they figure they can get some money out of. People are always dreaming up schemes, like politicians do, to generate monies. I think that's wrong. I don't like that theory and that approach.

For example, tobacco has been taxed tremendously over the years. I am a nonsmoker, and I voted against the tobacco tax. I voted against it because I don't believe that you should just go against an industry just because they are an easy target. Now, if they don't believe that tobacco should be sold in California, why not abolish it, get rid of it. But quit playing around. The reason they won't abolish it is because it brings in revenues. So accept it, but yet they want to tax it to death. It doesn't make sense to me because to abolish tobacco in California would be a tremendous loss of sales tax and revenues. So they wouldn't want to do that. But yet they want to keep taxing it and taxing it. I don't believe in that theory. It's my opinion only, and there's people that have other opinions. They say, "Well, it's killing people." That's

true, but it's still a legitimate enterprise, acceptable in the state of California and in every state in the union. If they decide that it is bad enough that it should be completely abolished, then that's what they should do. It's like any other commodity they take off the market when they find out it doesn't work any more and it's causing problems for people's health. That's the way I feel. That's a personal opinion and it has a lot of holes in it maybe, but that's the way that I look at taxation.

SENEY: Let me ask you a question about lobbying, the profession of lobbying. As a way to spend your time and earn your livelihood, did you enjoy it?

LUNARDI: I loved it. I still like it. I like it because during those twenty-two years representing the wineries, they never generated a tremendous amount of contributions. If you look at the list, throughout the whole state of California, you'll probably find contributions from the wineries were very low in comparison. I ran a low key operation. Of course, the wineries were a domicile industry, and I went into that a little bit. I had a good acceptance on my issues when I

went before the members of the legislature. In twenty-two years many tax bills went in, and tax bills were all defeated. I argued those points as to why those taxes should not be increased on the wineries. I hope I didn't say this on another tape. You don't raise any revenues in the state of California, and I think I did talk about this because of the export thing. So I don't want to get into that again because it will just clutter up your tapes. Everybody has their own method of lobbying.

SENEY: Tell me about yours.

LUNARDI: I liked my method of low-key, no arm twisting type of lobbying; that was my style and my personality. The other may work today, but it won't work tomorrow. I was building a reputation with the legislature, as to how Paul Lunardi operated in Sacramento. I developed a good reputation. Some legislators would say to the new ones, "You don't ever have to worry about Paul Lunardi because he'll always tell you what the facts are. He won't deviate from that, even if it's against him." I used to do that. That's where you build up your reputation. I think because of that I was

very successful. I think that low-key, precise operation of good factual evidence was what helped me a lot.

SENEY: Would you go around to the new legislators and introduce yourself?

LUNARDI: Immediately. Immediately. New legislators were the first target I would use, if I may use that as a target. [I would] explain to them that I had been a member of the legislature, and I understood the system. I understood the problems they would be facing, and how difficult it would be for them at times on certain issues; there would be times that they would have to vote against me because of their district. I understood that. I would not hold that against them. I had to do the same thing as a legislator. It gave me that entree, and I made it a point to make sure that I talked to the new legislators.

SENEY: Did you have much experience outside the legislature, lobbying with state agencies?

LUNARDI: No. No, I did not.

SENEY: Was it because someone else did that?

LUNARDI: Well, I lobbied with state agencies that pertained to the issues of the Wine Institute.

SENEY: That's what I meant.

LUNARDI: Oh, O.K. Yes, I did. More than lobby them, I would seek information on their opinions, when we were having trouble maybe with the Board of Equalization, or the Health Department on labeling, and with the ABC [Alcohol Beverage Control] Department on certain pieces of legislation. It was not to oppose them. We could disagree, but basically it was for me to get information as to where they were coming from. Why did they determine that this was going to be the regulation or this was going to be the position they would take on this issue? Which would force us sometimes to say, "Well, if we can't resolve this, then we'll have to take the legislative route," which was always the alternative. We did have some problems in the marketing; I explained that already, and I don't want to get into that again.

We got into the commission thing with the Department of Food and Agriculture as recently as a year to two years ago. They started to establish some regulations [about] how we would contract money through the Wine Institute to hire

PR people for promotion and to expand our strength in the field of trade barriers--either tariff or non-tariff barriers within other states or within other foreign countries--and we resolved all of those problems. Even though the money that's collected by the Wine Commission--a private enterprise--by the very fact that you have developed a Wine Commission through legislation, that money becomes public money, so it's controlled by the Department of Food and Agriculture. We have to abide by their rules and regulations as to how that money is spent. For example, my operation could not be, under any circumstances, under that fund; that's completely illegal, as a lobbyist for the wineries in the state of California. That money had come from fees that were paid separately and had come from outside of the structure of the budget of the commission. I think I may have said something about that.

[End Tape 9, Side B]

[Begin Tape 10, Side A]

LUNARDI: So anyhow, to follow that up, the Department of Food and Agriculture is actually the watchdog over

LUNARDI: all of these commissions, whether it be the Avocado Commission or the Wine Commission or the Walnut Commission, and all of the marketing agreements under the 1937 Marketing Act. They are the actual watchdogs and rightly so; those should be controlled.

I don't know if I got into the differential between the two, I think I did. Just briefly, the Marketing Act is a general act that can be amended at any time by any agricultural industry or by the Department of Food and Agriculture. The commissions, like the Walnut Commission, the Avocado Commission, and the Wine Commission would probably never be amended unless there was some violations that the Department of Food and Agriculture would be concerned with. And that's not likely to happen. It could also be amended, to change the structure of the voting procedures, by the wine industry, but the walnut people and the other people involved, and the farm bureau and the agriculture council would have nothing to do with that. The good part about having a commission is that it isolates that commodity under that commission, so I think that's a good

system.

SENEY: I want to go back and ask you about something that we talked about when we first started talking about the wine industry, and that was, that under the Marketing Act there was a Wine Advisory Board . . .

LUNARDI: Right.

SENEY: The Wine Advisory Board contracted with the Wine Institute to carry out certain programs?

LUNARDI: Right. Not all of it, but a portion of it.

SENEY: Right.

LUNARDI: A portion was allocated and a portion was under contract.

SENEY: Right. And then during the tenure of Rose Bird as Secretary of Agriculture and Services, she raised questions about the relationship between the Wine Advisory Board and the Wine Institute. Now in looking at this since we first discussed it, I have read that one of the problems was that the Wine Institute did not want to be audited; they did not want to have their contracts to the Wine Advisory Board audited; that was one thing that Rose Bird as Secretary of Agriculture and Services wanted. Did I get that right or did I. . . ?

LUNARDI: No, that's not, that isn't thoroughly true. Let me tell you how it happened. What happened when this thing started, Rose Bird had nothing to do with it. What happened was that we had a joint auditing committee within the structure of the legislature, made up of assemblymen and state senators. Assemblyman John Thurman, who has since passed away, was the chairman of the Assembly Agriculture Committee, and he had proposed in a resolution to be presented to the joint legislative audit committee that different audits should be made to clear the air. The Wine Institute happened to fall into the cracks of that resolution because they were not excluded from that. We were surprised that we were even involved in the audit at the time. There was others that were just as surprised. When we found this out, we were concerned. What did we do? What's happened that we have to be audited? They were talking about auditing the funds, not of the Wine Institute at the time, but they were talking about auditing the funds of the Marketing Act. Well, consequently, when that happened, the thing that we talked about immediately was that we

LUNARDI: thought it was kind of ridiculous to have it because we had nothing to hide. However, if we tried to stop it, then we would probably raise flags; people would say, "Well, maybe there is something wrong." Then there would be, maybe, an even more thorough investigation, and finger pointing would start. So we said, "No problem; go ahead and audit." There was some resistance when they said they wanted to audit the Wine Institute because a lot of those funds they wanted to audit had nothing to do with the Marketing Act. We had private money that came in that had nothing to do with the Marketing Act, through the negotiation of the advisory board and the contracts that were let for promotion and research. So, our people decided we can't allow ourselves to say, "No, we won't let you audit the Wine Institute," because if we said this, then again, the flags would start flying, fingers would start pointing as to what are they trying to hide. So, we allowed that to happen.

But as I indicated in the last tape, what really happened was that Rose Bird really continued to pursue this. She couldn't

LUNARDI: understand, or couldn't believe, maybe I should say, could not believe that the Wine Institute had not done something wrong. She thought that there was something that the Wine Institute was covering up, which was absolutely ridiculous. The Director [of the Department of Food and Agriculture] at that time, appointed by Jerry Brown, was a professor of Agricultural Economics in the University of California, Berkeley, by the name of [Luther T.] Wallace. I think that was his name. Who left after a while because he couldn't take all of this. If I remember, I think he was the one who told Rose Bird, "You're going to have the whole state of California sued by the wine industry. You're approaching this thing wrong. You can't start accusing." He was very nervous about this. So, it was a matter of a very smart woman who had absolutely no knowledge of agriculture, and for some reason had a vendetta. We have always thought that maybe she was being pushed by Cesar Chavez on the other side. Maybe that isn't true, but everybody starts speculating. But, anyhow, she was holding up, I think it was \$325,000, \$350,000. She held this money up for a

LUNARDI: long, long time. She said it would have to be paid back to the wineries, and the wineries didn't want the money back. It was money that belonged to the employees, actually, for fringe benefits. When that was found, and it was finally decided that there was no evidence to show that the wine industry of California had done any wrong in the auditing and the use of the monies that were coming through the Marketing Act, then it was dropped.

But she even pursued an auditor that was here one time. He worked for one of the presidents of the Wine Institute, by the name of Harry Serlis. She sent investigators all the way back to Washington, D.C. to check and investigate and question this auditor about what that president had done at that time. They found nothing. What exactly was her motive? Was it Ceasar Chavez? Was that what was pushing her to make the wineries look bad, or what? I don't know. I really can't say. But there was speculation that that was a possibility. I may be way off third base on that assumption, but there was something behind her, pushing so hard because she wouldn't accept the

truth. When it was all over with, the monies were released and the subject matter was dropped. There was no area at all that came out that indicated there was any wrongdoing by the wine industry. So, now it's history. But after all the years we were with the Marketing Act our people said, "We are not going to allow this to happen again." As I indicated to you, they didn't believe in subsidies. They don't today, and they didn't then. They said, "If this was the way they were going to be treated by government, we don't want any part of it."

SENEY: Was this one of the biggest headaches you had to deal with during your time with the Wine Institute?

LUNARDI: I think that was one of them, yes. I think that was the biggest headache we ever had. Outside of that we had a lot of tough issues. We had the issue on fetal alcohol syndrome. We had drunk driving.

SENEY: Tell me a little about the fetal alcohol syndrome.

LUNARDI: Well, what they tried to do was to label all the bottles of drinking wine. First, they proposed a crossbones with a skull. This was a real disgrace

LUNARDI: to the wine industry in California. People that make wine in Europe were laughing at us, hoping that this would happen. They could go around and tell everybody in Europe, "Don't drink California wine, it's poison." California produces 90 percent of the wine in the United States.

Fetal alcohol syndrome is a very serious problem. I believe that women who drink to excess while they are pregnant, or who maybe drink a little, could affect the fetus. There are pros and cons by doctors as to whether this is true. A lot of the studies that are coming out are indicating that there is always something else, malnutrition, that goes with it. Of course, heavy binge drinking, I'm sure would not be beneficial to the fetus under any circumstances. Some doctors indicated that while you are carrying your child, even one glass of wine for dinner would not affect the fetus. However, the woman should make a decision that she should maybe not even have a cigarette, or a glass of wine while she is carrying the child. I don't see anything wrong with that. But to say that they are going to put crossbones, that alcohol creates fetal alcohol

syndrome in itself, I don't agree with that.

SENEY: Was this a legislative proposal?

LUNARDI: Legislature of the state of California, right.

Now, there are statistics that say that alcohol has killed a lot of fetuses or caused mental disorders, or other imparities. There are doctors that say that there are other factors involved. So in order to be sure about it, the women that carry children shouldn't drink. That's a very simple thing to do. Putting a label on a bottle is not going to change a thing because people don't read labels. You don't read a label when you go to a cocktail lounge because you don't see the bottle. And who goes to a cocktail lounge?

[Interruption]

It's just like the labeling on cigarettes. I smoked for many years. I saw the label every morning, and didn't pay any attention to it. I didn't quit because of the label. I quit because it became a nuisance to me. I'd go into places, and people said you couldn't smoke here, or I'd see a sign saying, "No smoking". It got to the point where I'd get on a plane and I couldn't smoke in certain areas. So I said, "Why should I

LUNARDI: do this?" And I gave it up.

Fetal alcohol syndrome, as I indicated, is nothing to ignore; it's a very serious thing. What the industry should have done, instead of going into an education program in the schools on fetal alcohol syndrome and moderation of drinking, is to tie it into parenthood education. I think [anything else] is a waste of money, but it had to be done. They agreed to do it on the basis that they didn't want this sort of thing on the label. My personal opinion is that we should have gone to the federal government and said, "Look, let's put a label on all the bottles that come into the United States." We'll put on a label that says, "Drinking could be injurious to the fetus," or "Alcohol should be drunk in moderation," or "Not drunk for the purpose of alcohol content." That drinking alcohol in excess can create health problems or affect the fetus, or don't drink while pregnant, anything like that would be acceptable. I think the industry should have done that, got it out of the way. Nobody would pay attention to it anyhow, and it would not affect the beverage as long as you drank it in moderation. People are

going to drink wine, they're going to drink beer and they're going to drink distilled spirits.

SENEY: Who sponsored this legislation?

LUNARDI: There was several coalitions, I can't remember all. But there was the alcohol and drug abuse proponents, and then the doctors got involved in it. The doctors passed a resolution supporting this, and that irritated me. And it irritated me because--and I told their lobbyist in Sacramento this--I thought it was ridiculous that the doctors would take upon themselves to pass a resolution to label somebody else's product, when their products that they have going over the counter without prescription are being neglected completely. I'll give you an example, Nyquil. You can hardly read where it says, "Don't drink in case of pregnancy." It has 25 percent alcohol in it; it has more alcohol than most wines. I'm disturbed that the doctors would take this initiative without really checking it out and cleaning up their own backyard first. I said this to their lobbyist, and that's the way I felt about it. Something has to be done.

LUNARDI: Now what's happened is [Proposition 65]<sup>1</sup> came along, the clean water act. It's interesting because the clean water act was absolutely more than just a clean water act, it also talked about labeling. So now you have a program under the proposition which says that you have to have warning signs of certain size to indicate the hazards of alcoholic beverage and drinking in excess in retail establishments. We do this, and we have no problems with this. It's being paid for by the alcoholic beverage industry and distributed, I think, to all 75,000 licensees in the state of California, on and off sales. I think this is fine, but I don't think it solves anything. It's just another sign, with many other signs, in either a grocery store or a supermarket, or a big department store that may have a counter in a corner that sells alcoholic beverages. It gets cluttered up with the rest of the signs, and if you put it on the label it isn't working either. Where it works is in a doctor's office. That's where this message has to come from; that's what the people believe in. About 90 percent of

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<sup>1</sup>Proposition 65 (1986).

the women in the United States, under the studies that were made, absolutely know that drinking in excess is very dangerous to the fetus. They know this already, so we're talking about maybe the other 10 or 8 percent that we have to educate. Of course, these are poverty stricken people, people on welfare, the poor illiterates that don't go to the doctor until they've been pregnant, maybe three or six months. These are the people that you have to get to; they're not all minorities, but this is where the problem is. How do you get to those people? I just don't know. I don't think there's any one answer.

SENEY: You mentioned there were some other tough problems you faced, fetal alcohol syndrome, the business with the audit. What other things challenged you while you worked with the Wine Institute?

LUNARDI: Well, outside of the taxes, and I think I spoke about that, we had some grower problems.

SENEY: Yes, that's right.

LUNARDI: And I don't want to get into that; we discussed that pretty thoroughly. Those were the issues that basically come up most of the time. Those were the ones.

SENEY: Can you think of anything else that you would like to add on the Wine Institute or general points you haven't made on lobbying or dealing with the legislature or the with other parts of your responsibilities?

LUNARDI: Well, I think that as far as the wine industry is concerned today, they're doing as good a job as they possibly can to work with society and to show responsibility. Of course, this is not always acceptable. I think I discussed with you the code of advertising standards, fetal alcohol syndrome problem, teenage drinking, drunk driving, and all of these issues which are real prominent at this time. Of course, the consumption of alcohol has decreased in all categories. In California, wine sales are down, beer sales are down and distilled spirits sales are down. It has had an impact because people become very concerned about drunk driving charges; they're very expensive now. When you talk about being picked up, even for the first time, when you consider the increase in insurance rates, the court case, the defense that you have to go through, you're talking about maybe \$5,000. And then the insurance rates will stay there for

quite a long time. So there's great concern in our society. I think that in itself has created a temperance in drinking.

SENEY: Do you think it's going to make it tougher on your successor to represent the wine industry in the years to come?

LUNARDI: There's a possibility. I think most of that is out of the way. We never opposed any drunk driving laws. Never. We didn't feel that was within our category. When you talk about temperance and moderation and drinking with your meals, you can't stand up before a committee and say we're against these drunk driving laws . . .

SENEY: Did you take any position at all?

LUNARDI: Oh, absolutely none. No. We stayed neutral. We didn't involve ourselves at all. And rightly so. I don't think it was within the realm of the industry to get themselves involved in that issue at all. I don't know of any other part of the industry that did either. Either the distilled spirits, or anybody else. It's up to you as a responsible citizen to know what you're doing when you're drinking the alcohol. It's that simple. So we just wouldn't take a position.

I think the wine industry will always do well in California because of its track record. And, I think beer people will always do well in California because of its track record. It's an industry that's been here an awful long time. I don't think it should be restricted to such an extent that they tie its hands in operating freely, as they have in the past. Because first of all, if you really look at all the laws and the regulations, there are no industries that are regulated as strongly and as harshly as the alcoholic beverage industry. I mean, they are really regulated in California and you can check any other industry you want in comparison. None is more regulated, and it has to be. I'm not apologizing for it, it has to be. But there shouldn't be further restrictions put on it, unless they themselves create such a bad image that it has to be done. And it'd be their fault if it's done. They can be the only ones that create it. I don't think the people are out crusading to do it.

SENEY: All right. I want to thank you on behalf of the State Archives for taking part in this project.

You've helped to fill in some gaps and provide an important historical record, and I think future scholars will value it very highly.

LUNARDI: Well, I hope it is of some value to somebody.

SENEY: I know it will be. We thank you.

[End Tape 10, Side A]