

California State Archives
State Government Oral History Program

Oral History Interview

with

Kenneth L. Maddy

California State Assembly Member 1971-1978
California State Senator 1979-1998

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Volume 3

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[Session 14, November 29, 1999]

[Begin Tape 1, Side A]

SENEY: Senator, I keep apologizing for going back to the business having to do with the appointment of the Treasurer, but you said something last time that I should have picked up on that I didn't; and it was partly what you said but my recollection later of the kind of look you had on your face when you said it, and that had to do with the way in which the Democrats killed the Lungren appointment, and that is by letting it go through the Assembly and then killing it in the Senate. And you said that you had been told that this was what was going to happen.

MADDY: I was told they didn't want to have to fight in both houses because, obviously, it creates some problem whenever you try to knock someone off, when you don't approve a colleague in an appointment. I mean, the whole idea of refusing to confirm or to accept a Governor's appointment is not a common practice.

SENEY: There's a lot of deference given in Governor's appointments.

MADDY: Yes. Absolutely. In Congress, at the federal level, you rarely see appointments turned down. It's just got to be a rare situation.

My understanding was they had the votes locked in the Senate, or the felt they did, and that was the one they were going to push and it was going to be much easier than the battle in the Assembly.

But I never had any direct knowledge about it.

SENEY: Do you remember who told you that?

MADDY: No, I don't.

SENEY: You know, I was wondering, you had said to me that you didn't think your confirmation would have been any problem; that you would have gone through without any great difficulty.

MADDY: Yes, I think that's true.

SENEY: One of the things that was in the popular press about the Lungren appointment was the Democrats did not want to anoint someone on the Republican side, give them what Jesse Unruh had turned into a powerful fundraising office, the Treasurer's office, and make a statewide personality out of Lungren as a possible antagonist further down the line, as he turned out to be for Governor.

Didn't they fear this about you?

MADDY: That's always been the contradiction: Either they felt strongly enough that I was going to be a lousy candidate for Governor or they were conceding that, as a result of being--

[Interruption]

SENEY: You said they thought you might be lousy candidate?

MADDY: Yes.

SENEY: You're saying that with a smile.

MADDY: I'm not sure that they thought I was going to be a lousy candidate, but there was that contradiction in the fact that I made it clear that this was a way of setting out a future for me. In other words, I was going to work at the job and then ultimately run for the governorship. We didn't have any candidates. Pete Wilson was back in Washington. There was nobody, really, floating around that looked like they were going to be candidates for Governor.

So either I have to assume that I had that many friends that were not going to interfere with this basic concept of allowing confirmations to go through, or, as I said, the other possibility: they just figured, well, Maddy couldn't beat us anyway.

SENEY: Somehow I don't think that's the case, and you're smiling when you say that.

I wonder if there were a couple of other things at work. One is that it's obvious from the other people I've talked to, on the Democratic side as well as Republican side, but in this case, more importantly, on the Democratic side, that you were well regarded by the Democrats. They liked you.

MADDY: I think I was not feared by Democrats from the standpoint of becoming Governor. I mean, I don't think the Democrats worried about me. In fact,

when I ran the first time, even against Jerry Brown in '78, there were a number of various legislators, Democratic legislators, who said, you know, "It wouldn't bother me a bit if you win." And there's a reality to that. There's only so much you can do as Governor. If the Democrats control one or both houses of the Legislature, you're certainly not in control. I mean, you're part of a team.

Much of what I spoke about were things that I think hit a point or a soft spot with most legislators, and that is, I felt that legislators had not been brought into the process enough by governors in general. We came out of Ronald Reagan and then came out of Jerry Brown, who was completely out there, and then the next one was Deukmejian.

So I think that they didn't really expect -- and, of course, the Treasurer situation -- having someone who would respect the legislators. You know, I did have a great deal of respect for my colleagues and felt that the process worked much better when we worked together, and then try to work out compromises and solve problems. And so I think that image and whether or not I could have delivered, it's much more difficult to deliver than to talk about it.

SENEY: Right. I'm wondering, too, if personality has a lot to do with this, and I'm not sure that's quite the word I want to use, but a sense of civility that pertained, and again, your colleagues liked you on that basis; you got along well with people.

When Deukmejian selected Lungren over you, you mentioned to me that you had heard about this from a reporter and you were more than slightly miffed at the Deukmejian people over this. Your friends in the Senate and the rest of Legislature would have known how all of this shook out, wouldn't they?

MADDY: I don't think there were any secrets kept. Just handling the notification that the appointment was going to go to Lungren was -- you know, I was given a phone call by a reporter from Fresno who knew more about it than I did the day before. And so Allan Zaremborg, who was working then for Deukmejian, had to give me the phone call that morning. I think it was the morning of the announcement, and he called me at home. I think he would tell you now that "I'm terribly embarrassed by this but I had to make this phone call; that there's going to be a press conference in which the Governor is going to have Dan Lungren there and announce that he's appointed him Treasurer."

Well, I said, "Allan, I already know it because a reporter, who's a TV reporter who covers me on everything out of Fresno, called me last night and asked if he could be at my home this morning at 9 o'clock, so that when I first got the word, that he could record my reaction."

Obviously, I had a lot of reactions but at least he gave me time to think about it. Not that I was going to say anything obscene or express my strong feelings about it. But I mean, it was not the cleanest way to do it.

There was a lot of ways that you could have let me know after literally a year's wait.

Again, I don't want to nail anybody for being inconsiderate, because they may not have had any idea how I felt. As I've always said, I felt strongly about it. This was something I was going to do. But trying to look at the best side of it, they perhaps just didn't think that their manners were bad. But Allan certainly did. I know Allan.

SENEY: He was the legislative liaison guy for Deukmejian.

MADDY: Right. Head of the Chamber of Commerce now.

SENEY: You know, what I'm leading up to in all of this is to ask you if you think that in this cold, hard world of politics and political realities, that some of the opposition in the Legislature, especially in the Senate from the Democrats, would have come to Lungren from the way you were treated by Deukmejian.

MADDY: I think there were several legislators on the Democratic side who voted no, who didn't care, and felt justified in doing it by the way I was treated.

SENEY: Did they say that to you, any of them?

MADDY: Nobody said it directly to me. I can't remember anybody directly saying it. They implied it several ways, and said the hell with it, the hell with them, and so on.

SENEY: And the other point being too that I should raise here is that Lungren was not, as you mentioned last time, very smooth in his approach to the

Legislature.

MADDY: Dan did not work hard. We didn't think Dan worked very hard at getting his own votes. There was rumors about and statements that he indicated he did not want to go down to Frank Fats and schmooze with other legislators. There were various things. Now, he may deny that, and so I have no idea if it's true or not, but that he didn't really work as hard in trying to get his own votes as he may have. I don't know what he could have done, I think, frankly, once the dye was cast. That's what they pushed me hard about getting out and trying to really help him, and I asked all the people.

Rose Ann Vuich was one that I thought the Governor might be able to get but the Governor didn't want to ask her. I don't know if he ever did. Rumors were that he never did ask her. He refused to ask her, he was mad at her. So there was this little bit of feeling on all of our part that if it didn't mean that much to them, why should it all fall on my back because I was Republican Leader? I got all the Republican votes; that was all I could do.

SENEY: Right. And I don't suppose you felt obliged to work extra hard on this one.

MADDY: I tried to be honest. I went after them and gave the best argument I could give, but there wasn't much. The argument basically on Lungren was that he was going to find a spot someplace and Treasurer was an unimportant

spot. You know, you argued in those days that the Treasurer's spot was only a Jesse Unruh was going to do with the Treasurers office what he had done. I mean, nobody else was going to be able to inherit what Jesse was able to do with the big brokerage companies and so on. If anything, they were looking more closely at the process and how some of these things were being done.

SENEY: Right. And when Kathleen Brown won the office, she promised not to do these fundraisers.

MADDY: All kinds of things, right. Absolutely.

SENEY: Which was nice.

MADDY: She raised a few bucks notwithstanding.

SENEY: Exactly. By the way, speaking of Jesse Unruh, one of the articles I reviewed, he said about you, "If I had had Maddy's looks, I'd have been Governor." Do you remember him saying that?

MADDY: Yes. He used to rag me a lot. He was a very bright guy.

SENEY: That was part of his style, wasn't it?

MADDY: Yes. He was an extremely bright guy, but Jesse had probably more than a looks problem.

SENEY: What do you mean by that?

MADDY: Jesse was a very, very difficult guy to deal with at times. He was a hard, hard player. The drinking didn't help him and the fact that he was who he was. I mean, Jesse had been hard-pressed. I was surprised he did as well

as he did in the one race he went statewide. Not that looks and those kind of things ought to prevail, but I mean, Jesse was on the edge on a lot of deals that were called shady. He was on the edge of a lot of fundraising activities, even though he had the reputation for them. I mean, he wanted to do well.

I was back at the Eagleton Institute in '70. Jesse had already left, and so I was one of the two legislators chosen to go to the Eagleton Institute, which was a very great honor to be back there. Jesse, at that time, was preaching very strongly all of the good government stuff that he continued to preach the rest of his career. But the reality was, here's a guy preaching all of this good government morality; yet, when push came to shove, he didn't live it.

All these other guys who say you should never take campaign contributions, yet they know you can't survive without taking campaign contributions, I mean, he knew the way he wanted it to be and I think he would have lived it that way. But he was also very good and he was also very tough. There are people who raise money and there are people who raised money, you know, and there are some who you would not be very proud of the manner in which they go out. Almost extortion.

SENEY: What are you thinking about when you say that?

MADDY: The extortion concept -- number one, I think it's tremendously difficult for a person in office who can make a decision to discuss that decision with

somebody in the same breath you talk about raising money.

SENEY: You said you wouldn't do that, that you were warned by Garibaldi.

MADDY: And others.

SENEY: Yes.

MADDY: Never to do that. It's right there. I haven't practiced law in a long time, but it's pretty damn close to saying that you do this for me and I'm going to do this for you. That's a quid pro quo. That's an extortion.

SENEY: Well, that's a good segue here because I wanted to about money and especially how much money you were able to give, for example, to the state Republican Party, among other things.

But you had to raise money from time to time.

MADDY: Oh, I raised it all the time. I raised hundreds of thousands of dollars.

SENEY: Right. Millions really.

Give me the schpiel. Assume I'm someone important.

MADDY: You never heard from me. You got invitations.

SENEY: That's it. It wouldn't be "Ken Maddy's on the phone. How you doing today?"

MADDY: Never got one, certainly from 1987 on.

SENEY: Once you became Leader.

MADDY: Once I became Leader. And prior to that -- well, part of the time when I was Caucus Chairman with Bill Campbell, '79-83, I was doing some calls.

SENEY: That would have been your job, part of your job.

MADDY: Yes, part of my job. But certainly not after '87, once I become Leader.

SENEY: John Doolittle was your caucus chair.

MADDY: Right.

SENEY: Would John Doolittle, he's on the phone, and he'd say, "Hi, how are you? Oh, by the way, Ken wanted me to say hello and ask...?"

MADDY: Well, I'm not sure what tactics people used in terms of the campaign fundraisers or what my staff did, because we sent invitations out to everybody. We did not have much problem after '87 in raising money. I had people that put out the invitations, put on a decent party. Tried to find a few ways to hold a party that was a little different, that made some sense.

SENEY: Meaning?

MADDY: Oh, you know, the golf tournaments all started. Actually, I loved playing golf more than I loved raising the money, so they didn't raise nearly the amount that they probably should have when it was all over. But basically that was it. I mean, there were no calls on my part.

I would go to the events. If somebody wanted me to go to meet a CEO [chief executive officer] of so-and-so, I could do that. But I never got caught, nor do I ever remember ever getting caught and/or even coming close to being asked about specific issues at the same time somebody was going to sit down and discuss money.

SENEY: In other words, you might accept a lunch with some CEOs in town and

you guys would talk about, God knows what, horseracing, golf, what the upcoming presidential election--

MADDY: Or we could sit down and talk a whole lunch about their problems, which was, as far as I was concerned, fine. I could sit and talk about, you know, "You guys are in deep trouble. You represent the water interests of California, and obviously I support the water interests of California. What are we going to do? How are we going to beat these guys down?" All of that.

SENEY: You might be talking in this case about the environmentalists or the fishing interests.

MADDY: Whatever. Whoever was against us and how we were going to kill the bill. Everything. I mean, just get down and dirty in trying to figure out the strategy for handling the bill.

SENEY: And you might be saying to them, "It would be wise for you to make some calls to this individual or that individual?"

MADDY: Or tell them what they had to do in order to get the votes. I mean, you had to go out there and get the votes. You had to talk to people. But I never got to the point to where anytime, place, that I can recall that I would ever shift and say, "And a hundred thousand to the Republican Party would help."

SENEY: That would be very dicey stuff, wouldn't it?

MADDY: Oh, but it's done. It was just so clear to me that wearing a wire in a

situation like that sounds terrible.

SENEY: And I'm not trying to get you to say you broke the law, because I expect you probably didn't. I think you were too smart and too careful and that probably wasn't your way of doing business in any case. But we're talking about practical realities.

Now, could these water people expect a call in a couple of weeks maybe from one of your staff members, saying, "We've got some invitations?"

MADDY: I think that they could expect calls from -- the specific question you asked about my people, I never, unless it was just a pure coincidence, it would not have happened.

SENEY: Who might call them as a follow-up on a meeting?

MADDY: In almost every case I hired a professional. Somebody who got 10 percent, or whatever it was. I had a couple of women that were former staff women. They didn't offer much more than being able to put name tags together and getting a long list because it was relatively that easy. And then they would make phone calls. They would make phone calls, you know, "The Maddy fundraiser is coming up."

"The Maddy fundraiser is coming up."

"Are you going to do it?" "Are you going to do it?"

That was their job. But none of them were in a position nor were they -- or do I think that they sat down and somebody would say, "Well,

how can I get my message across to him?"

Well, I don't know whether they said, you know, "Whatever you want to have Senator Maddy know, write it out in a paper and I'll make sure he gets it." Whether they did that or not, I have no idea because it was nothing I paid any attention to.

SENEY: Right.

When you ran in '82, you ran unopposed, for reasons we've talked about before. You kind of bushwhacked the Senate Democrats, which I thought was rather elegant.

MADDY: Got the boys, yes.

SENEY: Yes, it's part of the game, right?

MADDY: Yes.

SENEY: And I'm sure they respected you for your chicanery there in that case. Still, in all, you raised almost \$200,000, if I remember the numbers. About \$188,000 still came in.

You, at this point, in the '82 election, I'm trying to think -- now, it was the next year when you and Campbell would have been replaced by Nielsen and Seymour. So at this point you're probably going to use that money for--

MADDY: Giving it away.

SENEY: Right, exactly.

Now, in '86 you actually did have some opposition of Michael

LeSage, Paso Robles City Attorney who ran against you and, of course, saying the usual things: you're out of touch with the district, and all that sort of thing.

That gives you an opportunity to raise a lot more money, doesn't it?

MADDY: It did, although what I did, I tried to keep a steady stream of fundraisers that were almost the same every time. The golf tournament was the same.

I learned a lot about the fundraising business from this standpoint: that no matter what you do to entertain some of these people around here, it's a waste of time. I mean, what the lobbyists want to do is to be invited, show up and make sure you see them, and get the hell out of there and go home. That's the new lobbyist. It's not the old system whereby we spent half the night entertaining, so on and so forth. The old days, when I first started in the '70s, I loved going up to Reno and finding lounge acts and bringing the guys down here. We'd rent part of the old -- it's still there -- the Firehouse, the backroom of the Firehouse restaurant. It was a great place for entertainment and so on.

But I think about the first time, at 9:30, I turned around and here I'd brought this guy down and he sang one song and half the audience had left. I said that's the stupidest thing in the world; what am I doing? Number one, it's embarrassing to him. I loved it. I mean, I loved the idea that we'd put a little dance on and come and enjoy it, but I remember that incident and saying this is ridiculous, so I'm just going to hold the

fundraisers at 5:00 -- actually, 5:00 to 6:30. I was the one who cut them down to an hour-and-a-half. Guys get here in time, go through and make the touch.

Now, some guys didn't like that. They wanted more time if they were bringing in their CEOs. You know, if they brought in some hitters. Well then, I said my only view was come by early, if you're a person that wants to spend a little time with me. You know, that way, he can try to do it. But I always made it a point to meet every person. I remember, I stood at the door and moved around. I didn't break off with somebody and then you never saw me. Basically, my view was they came to see me, they want to make sure they saw me. That was what they were there for. And if they had something special to say they would say it, and just raise the money that way.

SENEY: So you were one of the innovators, maybe the innovator, who cut back the fundraisers to the canapés and the white wine or something.

MADDY: Well, I was certainly one who bought on to that idea early on. I didn't raise the money. I didn't increase the value like they do now. They charge unbelievable amounts of money now for these events, but in theory they're almost right. I mean, they might as well just get it all in one big grab. It's the lobbyists who are the craziest, the big business people who are crazy, allowing this to take place. I mean, give some freshman legislator ten grand without knowing whether he can find his way to the

bathroom.

SENEY: And that's what these tickets go for now.

MADDY: Sure. I know, it's crazy.

SENEY: You know what I'm looking for is something that I copied out of your book, and I had one to return to you. Oh, right on the top. That's why I couldn't find it.

This is the "Top Contributors to the California Republican Party" from '88 to '93. And lo and behold, whose name do I see near or at the top but yours almost every time.

MADDY: Oh yes. Well, there was a period of time in there that as Republican Leader in the Senate, I probably -- this was '88-93.

SENEY: Right.

MADDY: This is way towards the end. This was when I was literally about ready to get out. The only thing they had really to try to hold me here was the money I was raising. They wanted me to stick around for that. But I did give quite a bit of money. A couple of times I literally supported the bulk of the campaigns. You get down to '88, the Senate Republican PAC [Political Action Committee], that's almost all mine.

SENEY: That's what I was going to ask you about.

MADDY: That \$599,000 was almost all my money. Every bit of it.

SENEY: Now, this is contributions to the California Republican Party. Right?

MADDY: Right.

SENEY: Would this then be distributed out to candidates, given on your behalf? Or how would that work?

MADDY: No. This basically was part of the "soft money" kind of campaign. It began to work easier by putting money through the party. I gave up control of it when I did that. But then the party would distribute money either directly to candidates, or they would run campaigns, or they would do portions of campaigns. In other words, they would go out and find something to do that would help the candidate.

SENEY: Get out the vote kind of things.

MADDY: Right. There was no doubt that I was doing the bulk of anybody in the Legislature.

SENEY: Right. And we're talking about, you mentioned the '98 election cycle, when the Senate PAC, because you said that was you, really, was \$599,000.

MADDY: Way back -- '88.

SENEY: Yes, that's a lot of money.

MADDY: And it almost all went to the Assembly, because at that time we didn't have much going in the Senate. Many of the Assembly people were very appreciative of the fact that I was raising the money and I was willing to put it into the major PAC.

You know, I built some of my own credibility, my own, what shall I say? the fact that people appreciated me. I built that myself by not being

stingy with the money and holding a million bucks back while nobody else had any money. I gave it away. I wouldn't clean myself out but I would get down pretty low.

SENEY: Who would hold back money and not give it?

MADDY: In those days not too many because nobody raised any money. In the Congress you see them all the time. You know, [U.S. Representative] David Dreier's famous for always having a million dollars in the bank. And there's one or two here. Brulte's getting a little heat this last year or so for having money. It's very hard. Look at Villaraigosa. I mean, the whole thing, he was holding back money. Now the whole issue on transfer of speakership is transferring the money, because the money makes a big difference.

SENEY: He wants to use that money -- Villaraigosa -- on his mayoral campaign [in Los Angeles].

MADDY: Right. And what he's doing, he can only use so much of it so he's promising it now to [Assembly Speaker Robert M.] Hertzberg, if he'll wait.

SENEY: Until April?

MADDY: April. So I think whatever Antonio's figured out is that he wants to wait until you get a certain point, and then he'll break out and that'll be his best chance to have the best opportunity to the mayor's race. Pretty sophisticated sometimes.

See, I wasn't going anywhere at that point.

SENEY: That's about, what? as long as he could stay without precipitating a revolt among the Democrats.

MADDY: Oh, I think so. I'm surprised they let him go to April.

SENEY: It is kind of interesting, isn't it?

MADDY: Yes.

SENEY: Because both the legislative bodies, but I think -- well, you can answer this better than I can -- are both very possessive, and if you get leaders who are trying to slip out for another office, they say you're not looking after our interests.

MADDY: That's right. Why should we help? Why should we let this take place?

SENEY: Right.

MADDY: You know, what are you doing for us? I mean, that's the other thing -- what can you do for us?

And see, I wasn't going anywhere in these days, in most people's minds, so the fact that I was able to raise the money and was also generous in giving it away kept me in pretty good stead; plus, there's nobody who raised any other money. Until Hurtt came in. Hurtt came in and just put -- he put six million bucks of his own money in? Now, that's what he wanted to do. That was his, I guess, hobby, so he put a lot of money into the races.

SENEY: Let me turn this over, Senator.

[End Tape 1, Side A]

[Begin Tape 1, Side B]

SENEY: Then-Assemblyman, now Senator Brulte, in the '93 election, he actually comes in just barely second to you. You gave \$172,524, and he gave \$170,000. He's also a good fundraiser, isn't he?

MADDY: Oh, very good fundraiser.

SENEY: And known for that.

MADDY: Right. And the other two or three that are listed there are not good fundraisers. One of [Senator] Bill Leonard's problems was he could get close to being leader but he could never stay very long because he never raised any money. And one of the problems you have with raising money, if you're as conservative as Leonard is, it's not only being cooperative in the sense that you will help campaign supporters find Republicans that'll help you, but I mean, if you vote no against every contributor's cause, it's pretty hard for that contributor to give to you.

See, where Brulte is much more flexible and much more open on his votes. You know, much more moderate in his voting patterns.

SENEY: Number one in 1993 is Fieldstead & Company. Who is that?

MADDY: I have no idea. I looked at that.

SENEY: They gave \$315,000.

MADDY: There's always somebody who jumps in. There was a group that ran with Rob Hurtt -- were a bunch of names no one knew at that time.

SENEY: The Allied Business PAC.

MADDY: Allied Business PAC was them, but there was also some spinoffs of that.

There were several people that had their own names in, or this could have been one of them.

SENEY: Why don't we talk about Hurtt then?

First of all, let me say the '86 election was no real problem for you.

MADDY: No, I don't recall.

SENEY: Obviously, if you can't remember, you can't.

MADDY: Yes, I can't remember.

SENEY: Neither was the '90 or '94. After you left the Assembly and went to the Senate, they were not hotly contested races.

MADDY: That's right. There was just no race. It was all pretty easy.

SENEY: Hurtt comes along and is elected in a special election in '93.¹

MADDY: Was it '93?

SENEY: Let me see. Someone went to Congress and along comes Mr. Hurtt. And up to this point, the Senate have not been as rambunctious as the Assembly in terms of going conservative. That is, your moderate leadership, you had been in since '87, and you lasted until--

MADDY: Ninety-five or so.

SENEY: Yes, '95, right. And in fact, one of the points made, and this was probably

¹ Elected at a special election on March 2, 1993. He replaced Congressman Edward Royce, who was elected to the U.S. House of Representatives in November 1992.

one of the things I think that Hurtt probably used against you is that you had developed a good working relationship with Roberti because of the stability in your caucus.

Before we get on to -- because I think this was something he probably used against you, wasn't it?

MADDY: Oh, I think so. I think there was a desire to be a little bit more flamboyant, to be more aggressive, to be more confrontational.

SENEY: To be more partisan.

MADDY: Right.

SENEY: His views seem to be that he thought the minority could get more by doing that, than it could by being accommodating.

MADDY: Correct.

SENEY: How would you describe your relationship with Roberti, and in the process how would you describe Roberti?

MADDY: Well, David and I had known each other for a long time because we had served together. David is a very quiet man but I always, I think, got along with him well in the sense that we treated each other with respect. I learned a few things about him, at least what I thought were ways of, what should I say? dealing with him and how to make our relationship such that I could get some work done.

David did not like to be insulted, he did not like to be humiliated. He did not like to get pushed around openly, even though he would be

willing to sit down and negotiate and did negotiate. He basically also did not like a fight. I mean, he did not like a big floor fight. That was not what David wanted to do. He preferred, even though he was extremely liberal in his own views, he preferred resolving things in a more moderate way. As Governor Davis says, "Governing from the middle." And David was partially that way, although he had some very strong feelings, more liberal feelings.

So my relationship was such that I tried to deal with him as best I could, knowing some of those things about him, and also knew just about how far I could push, because I also had that unique experience of having a Governor sitting in back of me. There was nothing I was going to do that was a Maddy brainstorm. I mean, what I was supposed to be good at and what I did was to try to get as much for Wilson as I could from Roberti. You know, it wasn't Maddy I was getting, it was as much for Wilson I could get. However, there were some things I favored more than others, areas in which David and I could agree in.

SENEY: What would those be?

MADDY: Well, it's hard to say. I can't recall any specifics. I can't remember where Pete and I necessarily disagreed. I just would say that on the budget and so on, we would sit down and try to work out the budget items.

I'm trying to think of some specific instance in which Pete and I strongly disagreed.

SENEY: Well, we'll get to the budget maybe directly in a little bit and maybe something will come to mind then.

MADDY: But other than that, the deal with David was such that I'd try to sit down and meet privately with him and we would try to work out what are we going to do, how are we going to get this done? You didn't take long before you knew David, how strong he felt about something, because he did let you know that. The question was whether you wanted to fight or not. Which was always the question. I mean, the question was whether or not you were going to push him or he was going to push you, and is there a way we can solve this problem? Is there a way that we can get something that the Governor will buy onto? And I was mostly the liaison in terms of trying to convince the Governor. I mean, I was more a negotiator.

SENEY: As a go-between, in a way?

MADDY: Yes, as if I didn't have any stake in the game. You always try to let both sides think you had a stake, but I'd go back to Pete Wilson and say, "I don't think I can get David beyond this point. If you want to keep trying, we'll hold out."

SENEY: What would you offer him?

MADDY: You mean David?

SENEY: Yes.

MADDY: Nothing. A solution. Resolution. All I had to offer was resolution,

solution, and compromise, and “Get out of here, let’s go home.”

SENEY: It wouldn’t be you’d talk about a judgeship or--

MADDY: Oh, no.

SENEY: None of that stuff was traded around?

MADDY: Never. Not in my position. I don’t recall David ever bringing anything up like that -- ever.

SENEY: Or the Governor offering him and saying listen, you’d better tell him he’s got his fingers on this bill and I’ll let that one go by?

MADDY: Mm mm.

SENEY: None of that kind of stuff. That would surprise outsiders that there wasn’t that kind of horse trading going on.

MADDY: There might be some subtlety there, but I will tell you, very, very little in my experience, even in all the time I was Leader, that we would actually come down and say, you know, “I know you really want ol’ Joe here to get the judgeship and that’s a go.” Now, there would be some.

SENEY: That did happen then.

MADDY: It did happen. There are some people, who clearly, in the process of negotiation, it was understood something would fall that way. And also the number of judges. There was always a list of judges that were -- not a list of judges but a confirmation that we’re going to fund “X” number of judges. Democrats always holding out on us and not approving the number of judgeships.

SENEY: Their ploy being they wanted some of those?

MADDY: No. They just didn't want any. As long as there was a Republican making the appointment, give them zero. That's what they do. They're doing that with [U.S. President Bill] Clinton right now. Don't let him have any. We'll wait until we get a different guy. And then generally what happens, when a new president or governor comes in who's of the same party, if there's another Democrat, well then you sit down and then you try to say, "Well, what the hell? What can we do?" The United States Senate has more power than we do, but we had the budget powers. That's all you had: you held back some money. Or they held back the money. The Democrats held back the money.

SENEY: On the budget, would Wilson horse trade there and say, "I'm going to blue pencil this if you want?"

MADDY: Oh yes. Pete Wilson never, ever agreed, that I recall. George Deukmejian generally agreed in almost every instance, that during the process he would sign this package, and he would sign it without alteration, or change, or veto. Pete Wilson never did that. Pete Wilson said, "I will veto what I have to veto, and I will deal with the budget the way I have to deal with the budget." So Pete switched from the practice that Deukmejian had.

Deukmejian would negotiate down to the point to where he would finally say, "Okay, this is now something I'll accept," and then he would

sign it, and sign it in its total. In other words, if we made A, B, C, and D agreements, then that would be A, B, C, and D. Pete would clearly say, "I do not like A and B, I'm not going to accept it. If you want to accept the fact that it's there, then maybe we'll continue to negotiate with it." And so they would take something of his they wanted badly, and he would cut something out of there. So when the budget ended, we might have had 30 or 40 major items, that were 30 or 40 percent of this stuff that were major items, that were unresolved and those were going to be horse traded back and forth.

SENEY: Those are the so-called trailer bills that would follow the budget.

MADDY: Yes. And they would be horse traded. Now, a lot less and very seldom personalities. I mean, there wasn't "Joe needs a judgeship" kind of thing as it was the big picture.

SENEY: And we're not going to raise taxes, or we need to cut in this area, or we're not going to allow cuts in this area.

MADDY: Those are the kind of deals that the Democrats were fighting for.

SENEY: Talking about education or welfare in the case of the Democrats.

MADDY: Right, all those things. Now, some things were big enough that they wouldn't make a deal on. Where the Democrats had the leverage, from the standpoint of the public, they wouldn't make a deal. Why make a deal when you've got the whole newspaper editorial board and the public supporting education? They wouldn't resolve it unless they got what they

wanted. So we didn't walk in with the education budget hanging out there. But there's a lot of other things, like welfare, who most people didn't care about.

SENEY: But the Democrats would have to care about education because of the power of the teachers' union, I suppose.

MADDY: Sure. And we did too. So they knew that we could resolve that one. But on the welfare side, nobody cared. I mean, on both sides it was kind of open that nobody was going to be really excited or care much about--

SENEY: Or punished or rewarded.

MADDY: Oh yes. And so it was just a matter of how can we resolve it? How can we get it done?

SENEY: You know, when Deukmejian was first in office, and you were talking about him vetoing things, I remember he blue penciled out California Public Radio. Do you recall that?

MADDY: I don't remember that.

SENEY: Why he didn't like it, I have no idea, but one day it was gone, as soon as he could get it gone.

The other one was Cal-OSHA [Occupational Safety and Health Administration]. Do you remember that far back?

MADDY: I remember the Cal-OSHA flack because the Cal-OSHA flack worked against him big time. You know, we were talking about the safety of people on the job, and the press and everybody got on that. Public radio

was one thing. A lot of people didn't like the idea we spent money for public radio but safety in the workplace was a very touchy and difficult thing for him.

SENEY: Well, it turned out the business community was not necessarily opposed because you had the insurance interests who -- I mean, you get that certification on the state and your insurance rates are lower.

MADDY: I don't know, I've heard the story but I can't remember what it was all about. Too bad Sal's not around because he could probably tell us the Cal-OSHA story, because that was a big mistake. I think it was one of his first big mistakes.

SENEY: Well, he got Jack Henning and the state labor movement to put it on the ballot and reversed it.¹

MADDY: Which was a bad move.

SENEY: Yes. It helped to galvanize labor over nothing really. I mean, it wasn't a substantial issue or anything of that kind.

I want to talk about the budget.

I guess we were going to talk about Hurtt and all of that, weren't we, and we got segued off of that. You get Hurtt with all that kind of money he's got and his Allied Business PAC, and as you said, there were these spinoff PACs. Am I looking at '93 when he was elected?

¹ Proposition 97, November 8, 1998.

MADDY: Probably pretty close to that.

SENEY: I think it was March of '93 there was a special election. Someone had gone off to the Congress -- Ed Royce -- and along comes Hurtt with his money and begins right away to become involved in Senate politics and getting people elected.

One of them was a seat where [Senator K.] Maurice Johannessen "trounced," the article says, Bev Hansen. You supported Hansen.

MADDY: Correct.

SENEY: He supported Johannessen. Can you remember that? Talk about that.

MADDY: Hurtt came into the play. I didn't know him. He came out of Allied Business. He was known down in Orange County. He came up here, had spent a lot of money in, I think, one or two previous campaigns. Like one-and-a-half million in one race.

SENEY: You certainly would have heard about that.

MADDY: Oh yes. We knew who he was. I knew who he was but I'd never met him. And so he came up, and one of the very first things he did when he got elected was to ask for a caucus in which he had a bulletin board and he had a chalkboard, and so on and so forth, and he sort of gave us a lecture on being an "Entrepreneur 1A." What he thought the caucus needed was somebody with experience in business who could make the tough decisions, who could put the money where it belongs, who could analyze these things, who was willing to put their own money up, who was willing

to come in, and for that he wanted to be Leader. This is right out of the books.

SENEY: Within weeks of his coming?

MADDY: Yes, very soon. Very soon. And he was going to fund it, he was going to finance a lot of it.

[Senator] Cathie Wright was funny because everybody remembers her story. She said, you know, she asked him, "I know that you're a businessman and these are investments, but do you realize that this money that you give to campaign candidates doesn't come back ever?" She said, "This is gone. This is money you're not going to see again." But he was prepared to do that.

At that time I was married to Norma Foster, and in terms of our Statement of Economic Interest I probably looked more wealthy than he did. He criticized me for not putting any of my personal money in, and I said, "You're absolutely right, I will not put a dime of my wife's money in." I made the decision back in 1970 when I first ran and invested \$5,000 into my campaign and I would never, ever do it again. And I said, "The theory is this: If you cannot raise enough money, you probably don't belong up here." In other words, if you can't get enough support to help you run it or not. "Being in leadership is different. I can help raise the money and I will do that, but I'm not going to give my own money or any of my relatives' money to the campaign, except what they might give on a

normal basis.” You know, somebody give a thousand dollars.

But he was agitated. At that time we began to have some--

SENEY: Well, let me ask. What was the reaction of the caucus to this?

MADDY: Well, initially they sort of laughed, except for the conservative guys. There were some people there that were upset with me. There were several people that were there because of my stand on guns. I had chased the NRA out of the caucus a little bit. Told them I didn't want them back around anymore until they started producing winners. I had refused the last couple of years to allow -- not to allow. I didn't refuse because they could have done it, but I strongly urged and refused to support the right-to-lifers. They used to make a move to block the budget and I just said, “If you want to do it, one or two of you can go ahead and do it, but now that we lost Roberti and the two or three Democrats who used to support with you”--

SENEY: Roberti was very anti-abortion, wasn't he?

MADDY: That's right. He and one of the other guys -- one of the guys that went to jail -- was very anti-abortion. And so there'd be a couple of Democratic votes. I blocked that.

I was taking away some of the things that were these big Republican issues from them because I thought they were a waste of time.

SENEY: If I may, was this the almost annual forbidding of spending Medi-Cal money on abortion which the court always struck down?

MADDY: Always struck down. Always turned around. Deukmejian was always supported but then the court would just turn around and strike it down and we'd start all over again. My view was that "It's fine; if you want to go through this you can do it, but I think personally what you're doing is you're jeopardizing our Members," and I said, "You're not going to jeopardize me anymore because I'm not going to vote for this bill. I think the trend is going the other way." And I said, "I have never felt as strong as some of you guys do about right to life, and if you want to vote to prove that you're on the minority, a distinct minority, then go do it. But I'm not going to do it."

So they were upset with me on that, and then there was a group -- Speraw was one. Johannessen, when he came in -- he's a nice guy. Maurice just kind of -- he's just there, but he had been supported by Hurtt. And then the guy from Modesto who came in and he got elected, and Hurtt surprised everybody by getting him elected. Put some money into his race. So he began to build some chits. I mean, he had a couple, two or three guys.

It was a mix between the traditional conservatives, who had some trouble with me, who always said, "You're probably the best leader but philosophically we have trouble with you."

Then, at that time, I was also beginning another divorce and was a little less interested in some of the activities around here. And I'm free to

admit that. I wasn't breaking my fanny like I could have, I guess, in running the caucus. So, I mean, there was a collection of things that said to Hurtt--

SENEY: What do you mean by that, not breaking your fanny? What do you think you could have done?

MADDY: I frankly don't think I could have done anymore. I handled the day-to-day stuff. The same year they gave me a huge plaque in which they -- well, it was in '92-93, were the two years that we had the two toughest budget years, and Ed Davis went out and got this plaque made, and I've got photos of it; it's part of my memorabilia; showing what an outstanding job and editorial support around the state, you know, for saying what a tremendous job I did in helping to settle the budget. And of course, some of them hated it because it ended up costing us a lot of money, but Pete Wilson was grateful.

So the very things that I was being praised for in some cases were not things that Republicans wanted to be praised for.

He just came around at a time and then pushed a little hard. The one or two people I lost, a couple of them I should not have lost.

SENEY: Who do you mean by that?

MADDY: You know, Newt Russell and I have been friends for a long time, and Newt has told me that he's now sorry he did it but he just felt that he was doing it, quote, "for my own best interests" because I had kind of burned

out. He said, “Why sit here and take this garbage.?” He had a decent reason for doing it.

[Senator] Tim Leslie I literally supported and put into office Tim was more of the view that I had strayed too far from the right; that Hurtt was a little better representative.

Those two in particular.

Bill Leonard was my caucus chairman. I always thought just from a matter of loyalty you don’t go against your own [leader].

SENEY: Well, he put himself up, really, as a third alternative.

MADDY: Yes, he put himself up. And that was one of the ways he kind of ducked the morality question of doublecrossing by putting himself up. At least that was my mind when he did that. But he’s always been far more conservative.

So they went and what they failed to recognize was this guy Hurtt had no talent. He really had no talent for leadership and no talent, frankly, for bringing the caucus together or for running against the issues. I’m sure he wouldn’t like to hear me say that, but by and large I have to say it because, number one, he didn’t have the kind of experience I had; number two, he was not that versed in politics. He had the more sort of narrow Orange County conservative view. And I think he would have been fine in caucus if he had just come in and put his money in and sat back and tried to learn a little bit. The mere fact he got beat in his own district is

indicative.

SENEY: And he got beat in '98, in his own district.

MADDY: Yes.

SENEY: And you're smiling.

MADDY: I know. It didn't bother me a bit. Johnny Burton called me up. They gave me much more credit. I didn't care. I really didn't.

SENEY: What do you mean they gave you credit? Were you involved in that?

MADDY: No, no, no. He just laughed and said, "We took care of that one for you." Johnny said, "We took care of that one for you. It's a little favor from me."

SENEY: Did he, do you think?

MADDY: No. They did it because they wanted to beat him. Did Johnny Burton also want me to know that he was happy he did it? Yes. But they didn't do it for me.

SENEY: How badly did he get beaten?

MADDY: Oh, I think he got beaten badly. I'm not sure. It wasn't close. It wasn't a sneaker, I don't think.¹

SENEY: Well, Orange County has become more Democratic.

MADDY: Oh yes, and he had the Democratic seat. He's right in the middle of the Democratic seat. And he had made statements that this was a waste of

¹ Joe Dunn (D), 62,063 (51.3%); Rob Hurtt (R), 58,933 (48.7%). California Secretary of State's Office.

time. He did everything wrong in terms of trying to hold on to his seat.

SENEY: Was he Leader when he lost?

MADDY: Yes. It's even more difficult.

SENEY: It's even sweeter.

MADDY: Well, sweeter from the standpoint that Burton had a huge laugh.

I've never seen him since. I've never seen him come back to town.

SENEY: Let me change this.

[End Tape 1, Side B]

[Begin Tape 2, Side A]

SENEY: Senator, you were starting to say something. I made you stop.

MADDY: Oh no. I just was saying it surprised me that Mr. Hurtt, you know, all the money that he spent -- I don't know what it was, 6 million, 6-1/2 million dollars of family business money -- that he would be such a novice and be so naïve about what politics was all about and this whole business and the whole idea that you could come up here and take over.

I think he was surprised in two ways: One, I think he felt that everybody was crooked when he came up here; and two, he thought everybody was dumb, and he found out that neither were true. When he got here, I think he probably found out that not only they were not stupid people up here but some of these people, in most cases, were smart as he was if not smarter, and they were just as honest as he was. I mean, the fact that they didn't believe exactly as he did didn't have anything to do with

honesty, but I think he regretted both.

I think he probably would have been a decent legislator eventually. I think if he had come up here and had had to go through the old way, if he had to spend some time up here and do his tenure, he probably would have been fine, because he certainly loved the idea of politics. But I think he got disgusted in a hurry when he couldn't make things change overnight, which bothers some people.

SENEY: And for all his money he spent, the investment, he didn't really leave any kind of impact, did he?

MADDY: No, we lost seats. Nothing good happened.

SENEY: I wanted to ask you about the desertions, the three individuals that switched on you. One is Newt Russell. In your file -- it was the book I gave you back last time -- there was a little note from Newt Russell that his church was praying for you. It has nothing to do with your current health problems. And there was a couple of other people on the list and they were praying for some other things. Do you remember that?

MADDY: No.

SENEY: I can't remember who else was on the list.

MADDY: Newt was always very religious. I only joked about that a little bit, that some of the more religious people could do some of the, sort of what I consider to be non-religious acts. Being disloyal doesn't fit the category of Christian values, as far as I'm concerned.

But I think Newt anguished over it a long time and was pushed and persuaded by those guys to make the move to join and to move me out.

SENEY: The other one I wanted to ask you about -- Bill Leonard is now Assembly Leader, isn't he? Republican Leader?

MADDY: He was. I think he lost that.

SENEY: That's right. He has lost it.

The other one was Tim Leslie, who maybe belongs in a slightly different category, do you think, than Russell and Leonard?

MADDY: I'm not sure what it is. I'm not sure what the category is. If anything, he owed me more than anyone else in terms of just pure dollars that I gave him to run.

SENEY: Well, it goes beyond that, doesn't it?

MADDY: Every assignment I gave him, he was very ambitious. I gave him every opportunity. I made him vice chairman of the Appropriations Committee. Everything he asked for he got. And for him to join that side I thought was one of the worst acts.

SENEY: Well, you're being modest here. You did more than give him money. You cleared the way for his candidacy.

MADDY: Eliminated other candidates.

SENEY: Right.

MADDY: We had a big event in which we brought everybody together and said, "Tim's going to be our guy." Which is the same thing I tried to do with

Bev Hansen, see. And because Bev was a little more moderate coming out of the Assembly, and whatchamacallit had found Mo-Jo [Maurice Johannessen], who was a nice guy, a businessman, who had a lot of money of his own, you know, that's just the difference between picking your candidates.

There was a strong inclination on my part to go with Johannessen also because, number one, he had enough money to finance it, and Bev Hansen did not, but I didn't. Where I made a couple of mistakes that were real mistakes was that was a little too loyal to some Assembly people. You know, if you're a good Republican Assemblyperson and you wanted to run, my view was that you probably had put in the time, you deserved it more than some guy off the street.

SENEY: As you know, I've interviewed Senator Beverly, and Senator Beverly told me about a meeting down in Palm Springs that came after John Doolittle was elected to the U.S. House of Representatives. In 1980, I think?

MADDY: About that.

SENEY: And Leslie came to you wanting to run for the seat Doolittle's now vacant Senate seat, and you and Senator Beverly accompanied Leslie to see Pete Wilson and you got Wilson to agree -- well, tell me what happened.

MADDY: The best I can remember, it was down there. It was down there because Pete was going to be -- we had one of these seminars, and I think Leonard put it on because Leonard liked to put on those things where we'd sit

around and think tank. Which are good ideas and so on. We were down at a very nice place, the Ritz Carlton or someplace.

Leslie was the kind of guy who wanted to be persuaded, and so he wanted the Governor to persuade him to run in addition to everything else. And so I went through all that, which was a little bit anti-Maddy philosophy. I mean, my view was, if you want to run, pal, get in there. I've offered you a chance to run. If you want the Governor to anoint you, we can probably get him to endorse you. But to take the Governor's time to, quote, "persuade" you to run was farfetched. But he's very much that way.

SENEY: How do you mean? Did he come to you and say, "Well, do you think I should run? What do you think? Should I give up my Assembly seat?" I mean, that kind?

MADDY: He was very nervous about running. This kind of jeopardy. Yes, all that was part of--

SENEY: And you were supposed to say, "Ohmygod, Tim, you can make it, you can do it. We need you in the Senate."

MADDY: That was part of what, it seemed to me, that he was trying to get us to all do, was just to say that this was critical. And there was some guy, I forget who, up here who was -- and I had to make a trade. There was some other deal. I can't remember exactly now the details of it, but there was some other trade deal too that I had to make that involved [Senator] John [R.]

Lewis for some conservative guy down in Orange County. That I had to either get out of the campaign or do something. I forget what it was. So there was even some more quid in there. There was some more trade materials that I had to give up.

SENEY: To help clear the way for Leslie.

MADDY: Yes, and to get rid of this guy who was running. Which is some things we did occasionally.

SENEY: Sure.

MADDY: Bob Beverly, the last time he ran, we got rid of a candidate because we wanted Bob to have his last term. Got Deukmejian to appoint the guy to something he wanted worse. I don't know what it was. Something the guy would tolerate and not try to take on Bob. Which was sort of the common thing. It's one place the Governor could help you.

SENEY: This would have been Wilson rather than Deukmejian.

MADDY: Yes, yes; this goes back.

So anyway, we did a lot for Leslie. It just seems to me we did a lot for Leslie. He was fine as a legislator but he was certainly no Jack Armstrong.

SENEY: You know, I think I recall telling you the first time we met about Senator Beverly's reaction to all of this; that he was furious, I think I told you, and that he made no bones about that on the tape. He looked forward talking about this and made sure that this got on the tape.

MADDY: In his own voice.

SENEY: Yes. He said this guy was so disloyal to Maddy, Maddy did everything for him, and then he comes along and stabs him in the back.

MADDY: Bob's a good friend, a long time.

SENEY: He is. Well, that's very clear from the tape. I mean, you're being much more moderate. You have your colleague here to be angry on your behalf, I guess, and to put this across. You weren't angry at the time?

MADDY: I was. Well, I wasn't that angry in a sense because I asked Hurtt to give me six more months, and I said, "I'll continue to run the substantive side of it and do the budget and these other things that are out there," and I said, "You go ahead and raise the money and be the acting [leader]." But there was some minor deal that had to do with retirement, I forget what it was, but he said no.

I was mad for about a moment but then I said, "The hell with it, it's for the best. What the heck."

SENEY: Well, didn't you have some agreement where he would run campaigns for a while?

MADDY: I did that for a while. I did that. I tried to buy him off early, and that's what most of the people in the caucus wanted, because they recognized that he was not very good when it came to negotiations or speaking on the Floor, or doing anything else. I mean, he didn't know. He didn't know what was going on. That was one of the problems: he was just

inexperienced.

There were several people who did think that it would be better to let him go out there and spend his money, be in charge of it if he wants to, but you can do the other.

SENEY: And he accepted that for a while, but then there came a point when he knew he had the votes.

MADDY: He had the votes. Once you get the votes, goodbye.

SENEY: That's it. And at this time, the second divorce was going on?

MADDY: I didn't really divorce until '98. We had separated. We had been separated for three, or four, or five years before we actually got divorced. So we were in the process of not being at home and so on.

SENEY: So this was more distracting.

MADDY: Yes. It was just one more thing. It was not a factor. I mean, I could have continued with leadership and all the rest of it without any problems, I think.

SENEY: Was this another sort of distance problem, do you think, your being here?

MADDY: You mean on the divorce?

SENEY: Yes.

MADDY: I'm not certain. Hard to say. It was another situation in which what I enjoyed doing the most, the Legislature, and this game up here, was not necessarily what she wanted at her stage in life. You know, the one thing about my latest ex-wife, she had so much money and was so well off that

we really didn't have to do anything other than what she wanted to do, what we wanted to do. So she could hardly fathom why we needed to spend time horsing around up here in Sacramento with all of the things that were going on. Yet, at the same time, she liked some of the big events and so on. It was one of those things that happens.

SENEY: Would she have preferred to travel, do you think? Live here and there?

MADDY: Oh, I think she would have preferred to travel and do a number of things.

SENEY: Did you have another home besides Sacramento and--

MADDY: Palm Springs and Modesto. Several homes.

SENEY: Besides Palm Springs?

MADDY: I had Palm Springs, and Modesto, we had a ranch in Modesto, which was the main home, and then Palm Springs home. I had a place in Fresno, where my kids live, which is my official residence, and then the place up here.

SENEY: I'm wondering an apartment in New York.

MADDY: No, no. None of that. Didn't get that far.

SENEY: Do you want to take a break for lunch now?

MADDY: Is it good now?

SENEY: Well, we still have more time.

MADDY: Well, let's go a little while.

SENEY: Let's talk about the budgets then.

At what point in your legislative career did you become involved in

the budget politics?

MADDY: My recollection is in the early '80s with Deukmejian. When I came in, in '79, Campbell and I began to assume almost total control of the caucus activities. When I look at it in hindsight that was a mistake, we delegated very little. We began to do everything. Part of it was because nobody else wanted to do it, and the other part was because we enjoyed doing it. And so Campbell was out there working the issues and dealing as much as he could with Deukmejian. I was trying to work on the budget and work with the Governor if I could on all the things that the caucus wanted. And then we were literally the only two raising the money at that time. It was just one of those things.

The friction that went on then, it was, again, right wing, left wing. When I came into the caucus -- I think I told the story -- Bill Richardson was number two and Bill Campbell was number one. They couldn't get along. They both called me, they both asked me if I would join their team, and the whole motive was to dump one or the other.

And so Richardson, who I had not been that close but he had gone all out to help me win the Senate race, and so he was not without some ties to me and then made the argument that he would just be better as a leader. That was hard for me to accept. Bill Richardson was not one who went out there to do what was my view of how to run government, which was to get things done. Bill was out there to hell raise and bomb throw.

And so I sided with Campbell. Sixty-three days after I got here I was caucus chairman, and so I was a leader at that point in time. Then we began to have more division and we began to do more and more.

So it was around then, Duke coming into office -- well, it really kind of started, because that was the end of Jerry Brown, and we began to have a lot of fun just by the fact that Campbell is a great guy who knows this business very well.

SENEY: And he's very able, isn't he?

MADDY: Very able. And so we began to cut it up pretty good in terms of trying to negotiate things with Jerry Brown. As we said to each other, we did better and personally got more perks and things we wanted on a personal basis in the last two years of Jerry Brown than we ever did with any Republican governors.

SENEY: What kind of perks are you talking about?

MADDY: I couldn't tell you a single thing that, quote, "I got" that was important, but we always joke about it as if it was very important. And I have no idea what Campbell would point to as something that was important. Me either now, because I never did ask for much or have much in mind.

So that was the beginning, because we found out more and more how everything spun around the budget.

SENEY: It is the most important thing the Legislature does, isn't it?

MADDY: It's about the only thing. I mean, everything spins off it. The big policy

issues also come back to the budget. You have to work it out through the budget. And so we both knew how important the budget thing was, and we learned that in Jerry's last couple of years.

SENEY: Is it a difficult subject to grasp and learn about? Did you find it hard?

MADDY: No. It's almost all negotiations. Eighty or ninety percent is spent for you. It's formula driven. With 80 or 90 percent spent, you're down dealing with little finite dollars that don't mean much, so you spend a lot of your time trying to break away money that's already been committed. You try to break down the formulas that dictate money and then you try to figure out ways to get around all the other problems you've got with the budget. So it becomes a matter of some expertise. Actually, a view of more how you get to the other guys, what they're willing to trade for.

SENEY: Did you have someone on your staff, either your own staff or the Republican Caucus staff, who--

MADDY: I always had top-notch staff people. John Decker was one. John's still around. I'm trying to think about the technical staff.

When I came into the caucus in '79, Campbell had created as a balance to the Majority staff what we called a Minority Fiscal staff, and so I was the one that was using those. And what we did is I had an education specialist, I had a health specialist, I had a general specialist. I think we had four or five people that we called the Minority Fiscal Staff and ultimately came back to me.

It's interesting, we kept the staff alive, even during the period of time between losing the leadership in '83 back to '87. Some of those people stayed around ready to come back to work for us, because what I found was that with the Minority Fiscal Staff, I had a loyal group of five people that were counter to what -- it wasn't enough for me to have the Governor's Finance Department, because they had their agenda, and the Finance Committee was all run by Democrats, so this Minority Fiscal Staff was one that Campbell did. It was a fantastic idea. I kept it going for years and years and years when I was Leader and kept it under my own control.

Well, at one point in time I had to turn it over to Bob Beverly because he was vice chairman. We couldn't figure out how to do it and keep everybody happy, and we turned it over to Beverly. I think that was during the time Hurtt was -- no, the time that Nielsen was there. I think when Nielsen was there we kind of fudged it around so that we kept our guys in control. I can't remember all the details.

SENEY: You mean when Nielsen and Seymour replaced you and Campbell, you then gave it off to Bob Beverly as vice chair of Finance at that point?

MADDY: Right. That's what I did.

SENEY: So you could keep them together.

MADDY: Keep them together.

SENEY: Because that kind of expertise is very important, isn't it, in having

continuity?

MADDY: You're absolutely right. And that was which was so important is to have the continuity. In fact, it was always kind of a funny story because my sister, who had been a school superintendent, came up here. Her kids were grown so she wanted a job, so she went to work. When Campbell was in charge of the Minority Fiscal Consultants, she came on as the education specialist. Her last name was obviously not Maddy. So when the coup took place, and Seymour, finally she came to me, she said, "Ken, I've got to get out. I've got to find another job because Seymour has yet not discovered it's me."

SENEY: Her true identity?

MADDY: Yes, her true identity.

SENEY: Do you look alike at all?

MADDY: No. She said, "The things you say, it's going to be embarrassing for everybody around." She went over to the State Housing Finance Agency. She still works over there.

But in any event, I had that staff that was so critical, and Jess Huff came out of that staff who ultimately became Finance director.

SENEY: Under Deukmejian.

MADDY: Under Deukmejian. I can't remember all the top guys, but we put some top people who have gone on to do big things on that staff. But that was one of the better things that Campbell and I did, which was to have an

expert staff. And I think they still have it. I don't think they gave it up.

SENEY: Well, you couldn't really deal with the Democrats in the Legislature without that kind of staff could you?

MADDY: That's right. You had to have some people. But when we first started it, we did not, so we had that kind of people there and it made a big difference.

SENEY: During the period between '83 and '87, when you were "in the wilderness," did you still play a part in the budget negotiations?

MADDY: To the extent that I could, to the extent that I could keep in touch with the Minority Fiscal, and knew what was going on. The reputation had gotten to the point to where people knew I knew how to get from one spot to the other. It made third house people very attracted to me. In other words, third house, obviously [that's] why I got a lot of contributions: people knew that I could help. That was one of the reasons I could always get contributions without ever asking for them; they just came in. So I did play to the extent that I could.

But generally, on individual things, people would come and say, "What do you think? Can we get this thing done?"

And I said, "Let me try and see how we can hack it." So that was the extent of what I did.

SENEY: But you kept your hand in at least.

MADDY: Kept my hand in, continued to know what was going on and how we could

deal.

SENEY: But after '87, when you return to the leadership, then you're in totally, right?

MADDY: See, what happened then, in the process -- in '79 we started. About '83 the dynamics changed because Deukmejian doesn't like the budget negotiations concept and he goes for the Big Five, or whatever we called it.

SENEY: Yourself, the Senate Minority Leader, the Assembly Minority Leader, and the Democrat leaders, and the Governor. I was going to ask you how that got started.

MADDY: Well, my feeling about it was that Deukmejian personally did not like to negotiate, so having the leadership meet and negotiate through the leadership allowed him to sit there but not necessarily have to negotiate and at the same time [he could] be part of the process. Because he really didn't like to, in my opinion, negotiate or make the tough decisions. And so that came into play, the Big Five.

SENEY: Let me ask you. I think that John Vasconcellos would have been the Ways and Means chair in the Assembly at this time, wouldn't he?

MADDY: Right.

SENEY: And [Senator Alfred E.] Alquist in the Senate was chair of Finance, which was then split into Budget and Fiscal Affairs, I think, and then Finance goes to someone else. Did that have an impact, do you think, on

Deukmejian, who those people were?

MADDY: I don't know if it did or not. I don't know what really possessed him. At least my feeling was he just didn't like the hard give and take. His people would say, "We've got to get this and this and this. The Governor's never going to go. He's never going to move." And so I would go back and try to negotiate with Willie [Brown], or generally Willie, this issue: "Can we get this thing resolved?" And we would get down close. I was the bad guy. I was the guy that said the things the Governor didn't want to say. I'd say, "We're not going to buy that, guys. Forget it. Now, if you want to talk about this," and then Willie would say, you know, "Can we make a deal on that?" Then the Governor would generally step in and say something to the effect, "Why don't we have this thing written out? Each of the four write it out and let's see if we can't see where we're at when we come back, and then you guys try to put together what you think is the closest we can get," and then he'd come in and sign off. That was his way of doing it.

SENEY: He didn't want to--

MADDY: He didn't want to be down and dirty. He didn't want to have to let them know that there still was some trading in him.

SENEY: That seems strange. Didn't it seem strange at the time?

MADDY: Well, it always seemed strange to me, yes. It seemed strange to me because that was 90 percent of what governors did, I thought.

SENEY: Yes! Exactly. Brokering interests.

MADDY: And I might be totally wrong. I might be totally misconstruing what his thoughts were at the time, or maybe that's what he thought was good negotiation. Maybe he thought that was the best way to get us to work hard. I'm not sure.

SENEY: Did he usually get what he wanted?

MADDY: George did pretty well because in the early days we had the money. It was only the last two years that we didn't have any money.

SENEY: And the governor has tremendous power in the budget process.

MADDY: Huge.

SENEY: Not only do they draw it up but they've got that blue pencil and the line item veto.

[End Tape 2, Side A]

[Begin Tape 2, Side B]

SENEY: When you stepped out we were beginning to talk about the budget.

MADDY: Yes, about the budget, and I was saying the Deukmejian phenomenon of wanting to have this thing settled and how we got into the Big Five, which really took me into a position that even though, when I took over as Leader again, I didn't want to dominate everything, but by this time we had--

SENEY: The lesson you had learned from the earlier--

MADDY: Yes, because part of the reason that Campbell and I thought we got

dumped in '83 was that we were dominating everything. And so it wasn't so much jealousy of right wing, left wing, because it was Nielsen and some of these other guys, but we seemed to be doing it all. We were, but partially because nobody else wanted to do it. So my view was I was going to delegate everything, but then by that time the Big Five showed up.

SENEY: I want to talk about the '87 budget. I don't want to talk about all of them because some were more important than others, but the '87 budget is important because here there was a \$1.7 billion windfall, and this was based in part on changes in the federal Tax Code that required people to take income in 1986.

MADDY: It followed the '86 tax reform act.

SENEY: And now you're beginning to bump up against the Gann Limit for the first time, it looks as though, and this budget is sort of suffused, this '87 budget with the quarrels between Deukmejian and [State Superintendent of Public Instruction Bill] Honig and education.

By and large, Deukmejian has been pretty good to education during his period, but he doesn't like Honig particularly.

MADDY: Honig was on certainly all the Republicans' list. Honig was not very popular. One of the most bitter fights, closed door fights, and I think it ultimately got publicized a little bit, was David Roberti screaming at Honig over a couple of issues.

SENEY: Do you remember what those were?

MADDY: No, I can't for the life of me now remember what the issues were. I think they were more technical issues. But Roberti, at some point in time, I know, ended up with some publicity over a screaming match, and it was not like Roberti to scream.

SENEY: That's what I was going to ask. It was not his style.

MADDY: Not his style, but when he got mad he could really get mad. And so there was a constant battle with Honig, because they were arguing over this wild formula, you know; how much money we were going to give to education and how we were going to establish the formula.

SENEY: And in this budget -- let me see here, get the right numbers. "According to the Administration," and this is from the *California Journal*¹ It says here in the article, "According to the Administration, the revenue pushed the state over the Gann Limit by 1.1 billion. Thus, only 600 million of the \$1.7 billion windfall could be spent at all." And Democrats and Honig didn't care for this interpretation. That was the Administration's interpretation. But there were other interpretations that said you could, in fact, spend more than this.

Jess Huff, who you just referred to is now Finance director, and he says, "The \$39 billion initial budget was within \$80 million. That is, it

¹ Vol. XVII, No. 9, September 1987, p. 447.

could spend 80 million more before it hit the Gann threshold.” Six months later, the budget actually signed is for 45.5 billion, and Huff says, “This is 45 million beneath the limit.”¹

Well, obviously these are the things you can argue about. Do you recall that, the Gann Limit?

MADDY: I don't remember much of the battle of that. I know the Honig battle. I remember the billion dollar return. That was where I was in the minority. I mean, I just thought it was insane for us to give back a billion dollars to the taxpayers, but that was the thought of the Republicans' leadership in the Assembly in particular, that felt this was going to get us a majority, and all it did was just set the stage for us getting further in the hole for the last two years. It just set the stage for Deukmejian to literally be broke by the time he left office.

SENEY: And it was not popular with the public. Over 60 percent thought the money should be spent on other matters.

MADDY: The public didn't care. It was a joke. It was too small an amount. It tells you a lot about taxes. I mean, a billion dollars meant little or nothing, and our guys thought it was going to be a magic number.

SENEY: This also leads up to the June 1988 initiative, Proposition 98, that the state is still struggling under, that Honig had put on the ballot, and this is all

¹ Ibid.

part of his quarreling with Deukmejian, isn't it?

MADDY: Part of it. That was probably the most cleverly written initiative anybody's ever seen. I mean, it just guaranteed education--

SENEY: Did you appreciate what it meant at the time it was being proposed?

MADDY: None of us did. What we did was we spent all of our time fighting over the interpretation of it. I had some big fights with Honig. I was in one of those publicized screaming matches in which I threatened to throw him out physically and that sort of thing.

SENEY: And that's not your style.

MADDY: Not my style either, because he was so adamant.

SENEY: What was so irritating about him?

MADDY: You know, it's hard to say. I don't know what was irritating about him, but he was a very irritating guy. I have no idea. Afterwards, having seen him several times since that time, and he's been in a lot of trouble and that sort of thing, I don't recall having any hard feelings or anything like that or happy about anything that happened to him. But he just was very difficult on the fight over this Prop. 98, because it was so complicated. It is so complicated. You can start today and two days from now you might have a grasp of what it means under a set of circumstances, but you better not wait more than five minutes before you solve the problem, because you'll have forgotten it. It'll get too confusing.

SENEY: Well, I think many people didn't understand at the time it was written, that

I know that say the people in the university systems did not understand how it would work against their interests in terms of dedicating more and more of the budget to specific K-12 education.

MADDY: More and more to K-12. Eventually, K-12 would have it all, and I'm not sure it's still not going to be possible, that it'll get down further and further. Although they still complain about the per capita spending and so on. So they're in a position to at least argue that you guys tell us how much it hurt, but it hasn't hurt that much yet.

SENEY: You know, you mentioned the trouble Honig got into. He was convicted of conflict of interest and removed from office as Superintendent of Public Instruction¹ because of his wife's having a contract with the State Department of Education, which he headed, which I think had to do with encouraging parents to take a greater interest in their children's education.

MADDY: Something like that. It was a good government program. There was nothing wrong it.

SENEY: Right, exactly. And there was some question in some people's minds as to whether or not this was really worth pursuing, and it was Attorney General Lungren who pursued it and had Honig removed from office. And I always wondered if there was some payback there.

MADDY: You know, I never have thought about that. My recollection now is there

¹ February 24, 1993.

was a certain amount of joy among Republicans over the fact that Honig got nailed. Certain amount of joy over the fact that a Democrat at a high level was being hurt a little bit. I never heard anything along the lines that this was a setup, or that this was something that they had discovered. But I would guess that because of the way Honig had dealt with everybody else, there was a certain amount of, as I said, joy. But also, again, was it worth it? And whether or not there was really any illegality, was there anything that really would put a guy in prison, you know, that was a big stretch.

SENEY: You know, Steve Merksamer, whom I've also interviewed, as you know, who was the chief of staff to Governor Deukmejian, said that Honig would come and visit Deukmejian and they would have a discussion and they would agree on certain things, and then Honig would go right out to the press and, from their point of view, mischaracterize the whole meeting and make some kind of charges or accusations.

Was that your experience with him?

MADDY: The big battle I got over was I called him a liar, that he was lying to the press over a situation where we were negotiating over something. And that had something along the same line -- and maybe that began to catch on with others because my situation had to do something with him. I don't call people liars very often, but my recollection is that I called him a liar; that he was purposefully trying to misconstrue things and not tell the

truth.

SENEY: And this 1987 budget, by the way, turns out to be the one in which Deukmejian axes Cal-OSHA, that we talked about it.

MADDY: Oh, is that right?

SENEY: Yes. And the Democrats had even tried to keep him from doing that by collapsing the Cal-OSHA into the Department of Industrial Relations' budget and he still was able to get at it and get rid of it, even with that clever trick.

It also quotes Senator Alquist as being very unhappy with the fact that Deukmejian won't negotiate. Alquist and Vasconcellos were really cut right out of the process, weren't they?

MADDY: Right. That was part of the deal. I mean, that was part of why there was a Big five. Al got busted in his last years. I mean, he still could sit there and never miss a beat in terms of getting the session going, staying there until adjourning time, keeping everybody moving; but in terms of knowing what was in the budget or what we were negotiating over, Al was not really a factor. Of course, Vasco was Vasco [Vasconcellos].

SENEY: What does that mean?

MADDY: Well, just that he was tremendously difficult to negotiate with because he had a way and he just would hammer on and hammer on, and so there was somebody who always had to make a decision when it came to Vasconcellos' role in this thing. And so that's why you let the Budget

Committee, you let Vasco and the conference committee, which was Vasconcellos and Alquist, and then you put a couple other people on the other -- Republicans had one member on each side -- and then they put together the budget as close as they could get it. Well, you had all this Vasconcellos' stuff in here that had no chance of flying with the rest of the caucuses or anybody else. That all came to the Big Five.

And then, of course, they bitched and complained, and rightfully so because they spent all their time breaking their necks trying to put the budget together, and then have the so-called Big Five come in and cut their legs out from under them.

SENEY: And positions that had been very influential, important positions, were now irrelevant.

MADDY: That's right.

SENEY: And people knew that.

MADDY: Knew it precisely, because they knew who was going to go back in there, and next thing you know, the first thing you hear, all their hard work that they spent hours on was gone. And John, who probably knew more about the budget than anybody, spent more time on it than anybody else, and he truly did know more about it, all the intricacies and so on, suddenly ends up with something he had given his soul for and in two seconds Willie said goodbye to it.

SENEY: What was the politics, as you understand it, behind the -- why are you

smiling like that? Are you thinking of something?

MADDY: No.

SENEY: Because sometimes you get a really nice smile on your face, and I always figure that something's going on in there that I have to ask you about.

What was the politics, as you understand it, behind the division of the Senate Finance and Budget Committee, from one committee into two committees, and Alquist becomes the chairman of the Budget Committee? Which is the least important of the two.

MADDY: I don't know whether it was just politics, which so many of the committees boil down to the politics of the moment. You know, how do you satisfy Vasco and Al? Or how do you satisfy A and B? How do I make sure the new woman legislator has a full committee? So you give a full committee and those kinds of things. Not so much efficiency and all the rest of it. So I have no idea.

SENEY: So that may have been--

MADDY: That may have been true.

SENEY: Senator Alquist said to me that Roberti wanted another committee to strengthen his position through another appointment.

Does that make sense to you?

MADDY: The rationale makes sense. That's why there's a committee now for every Democrat, but, I mean, how far can you go? Did he need it to hold on to his leadership? Hell no, I don't think so. If that's why he wanted it.

That's probably what he told Al, because he cut down Al's power.

[Senator] Ralph [C.] Dills, you know, G.O. [Government Operations Committee] was such a huge committee for a long time, and slowly but surely they took the bets away and they took this group away and that group away and shoved in some environmental garbage, where it used to be just horseracing and booze. It had its strengths for that kind of stuff. Then you put in three other people that Ralph didn't like or didn't necessarily want on the committee. The excuse was we've given you this environmental aspect; we need to have a couple of people on there that understand that, which means they were not very, probably, pro-booze and racetracks like some of the rest of us.

The committee selection process is very, very important, and that's where Lockyer shined. I mean, he knew his committees. He had his committees wired and up on the board. Personally did it himself over one weekend. About the first weekend he was chosen, he knew exactly where he wanted everybody. And all of it had a reason. Every bit of it. There was no big question mark: Wow, what do we do with ol' Joe? What do we do with so and so? Lockyer knew what to do.

SENEY: He understood where he wanted people and why he wanted them there.

MADDY: That's right. And see, David Roberti [was] far less involved. So you'd get a committee, like we did for years in G.O., that was not -- that was really still ol' Ralph's. Ralph still had the power over the committee and

not necessarily Roberti.

SENEY: So he would tell Roberti who he wanted on there, that kind of thing?

MADDY: No, in the early days, when they would pressure -- the old timers would pressure very hard to put people they wanted on the committee, and if they didn't like it, they couldn't get on. I mean, in the old days.

SENEY: Is that right?

MADDY: That changed, yes, but it would start out that way.

SENEY: Well, I know I've said to you that in interviewing Senator Marks, who was chairman of the Elections and Reapportionment Committee in 1990, that was just a front for, in this case, Mr. Roberti. I mean, he wanted to control that committee and Marks was convenient for those purposes.

MADDY: I'm sure that's true, because Marks' was not doing much in that stage of his career.

SENEY: Did Roberti, and later Lockyer, let you select the Republican committee members?

MADDY: I had a lot to say about it at different times, right. Less with Lockyer. Lockyer had pretty well figured all of these things out. Initially, Roberti always gave me the initial ability to fill the slots. I could sit down and I could put my Republicans everywhere I wanted them, in the various seats, and I tried to satisfy everybody.

SENEY: When you became leader, and Doolittle became the number two man, he had to give up his slot on the Rules Committee. And [Senator] Jim Ellis

took his slot.

MADDY: Right.

SENEY: What was the reason for that?

MADDY: I think Ellis had been with me and against me at different times, and I'm not sure whether we made a deal, that's how we got part of the deal made. I think that was what happened, is that we had to cut him that deal. He loved the Rules for some reason. You know, started out being very loyal to me when we first started, and that kind of moved around at different times. And I think we ended up buying him off. At some point in time, I think the Rules Committee was essential to keep his vote.

SENEY: And you put Beverly on the Rules Committee.

MADDY: Right.

SENEY: What was the thinking behind that?

MADDY: Well, you always wanted somebody who was tremendously loyal. Bob Beverly had been one of the most respected Rules Committee members because Bob always voted for the Members. Always voted for pay raises. Always voted for everything that benefitted the Members. Never questioned, and that's what you wanted. You needed three -- well, you needed two, because the Pro Tem supposedly was going to be in the same position. But each side was supposed to put at least one absolutely loyal Member, on.

SENEY: That, among other things, meant things like voting for pay raises, taking

the heat.

MADDY: Taking the heat, yes. Taking the heat. And when somebody got themselves in trouble, you had to go solve that problem. I'm talking about wife problem or kids problems. All the stuff behind the scenes that had to be done, there had to be some loyal people there. And what you found was that almost everybody became -- the old issue of taking the kid off the street and putting him on the commission and watch how they change, there was no doubt you'd take the most conservative -- I mean, John Doolittle, the most conservative guy in the world. He couldn't find [enough] ways to spend money, particularly for himself, once he got on Rules. That's what we used to always laugh about, that the Rules Committee Members who were the hard-right wingers -- Doolittle -- who else is on there now? Who's been on there for quite a while? [Senator John R.] Lewis. They spend money like it's going out of style. But it's all right. You kind of laugh about it because--

SENEY: This would be things like moving walls in their offices and new carpeting?

MADDY: They'd do all that stuff. That's all part of the game. Unless the Pro Tem says no, unless he stops it.

SENEY: And he's not likely to interfere much, is he? Did Lockyer -- you said to me once that he did.

MADDY: Lockyer did. Lockyer kept the vault shut. Held things down a little bit.

SENEY: You said once -- I'm not sure you said it on the tape or just as an aside to

me -- that Lockyer was very careful about per diem and that sort of thing; when you were in session and when you weren't. And Burton apparently is not quite so strict.

MADDY: Johnny is really a Member's Member. You know, come in and get your work done and get out of here.

Lockyer was tremendously concerned about image: Are you going to show up on time? If we say 9:00 session begins, we should start at 9:00, and if we're going to stay here 'til five, we stay 'til five. We don't purposefully go out and check out the last day, to make it clear that all we're doing is collecting our per diem. If you're going to show up on Friday morning, we have to work for two hours. All those things that were imaging, that probably meant he was thinking more about statewide office than other people were. Certainly not Burton. He's not running statewide. And he knows darn well that on Thursday morning, or Friday morning, or whatever day it is, if it's a three-day weekend, the guys want to check in on Friday and get out of there and collect their per diem.

SENEY: How do you do that? If I'm a Member and I want to get down to my district, or wherever it is I want to be on Friday, how do I check in? What do I do?

MADDY: If he opens the desk at six in morning, which sometimes he'll do, if you're there at six or anytime after six, you see Tony Beard [Jr.] and you say, "I'm here, Tony," and he says, "You're here," and out you go.

SENEY: That's the chief clerk. [Tony Beard is Sergeant-at-Arms.]

MADDY: Mm hmm. If they open up the desk. The only thing Tony won't do, if you're not there, they won't do it. And sometimes Burton is much easier on letting you split, if you, "Look, I've got to get out of here at quarter to eight."

"Well go."

Lockyer would oftentimes hold and say no. Would say, "Everybody should stay until twelve," or something like that, "today."

SENEY: And he could enforce that.

MADDY: Oh yes.

SENEY: How would he enforce something like that?

MADDY: Tell Tony Beard that nobody leaves.

SENEY: Oh, if they're not here at twelve, they're not here.

MADDY: He either gets them and brings them back sometimes, which I rarely saw physically or aggressively do that, or he just takes away their per diem.

SENEY: For that day.

MADDY: It counts three days.

SENEY: Aah.

MADDY: See, if you miss three continuous days, you lose the per diem for the whole time. That's why you check in on Friday morning. I mean, if you have a three-day weekend -- see, you cannot have four consecutive days from the Legislature without losing your per diem. What you have is

three-day holidays, so if we leave on Thursday, and due to the fact that we're only off three days -- Friday, Saturday, Sunday -- you get paid per diem for those same three days. If, for instance, Monday is a holiday, and you want to leave on Thursday, well then you're leaving Friday, Saturday, Sunday, Monday, and bingo, you've reached four days and now you get no per diem for those four days.

SENEY: What is the per diem rate?

MADDY: Like a hundred and a quarter now.

SENEY: Tax free.

MADDY: Tax free. It's one of the biggest things around here. It's worth quite a bit.

SENEY: Sure it is.

MADDY: Because it's up there over 20 grand, tax free. That's thirty thousand or so. It's a big number now, compared to the \$10 a day, or something, what was when we started.

SENEY: And it was a way that Jesse Unruh had of increasing salary without being able to increase salary.

You know, one of the things that -- as long as we're talking about these kind of things -- that you and Doolittle, and here's a lovely picture of you and Roberti and Doolittle here, looking very serious, putting forward what I think became Prop. 112,¹ the pay raise proposition.

¹ June 5, 1990.

MADDY: The pay raise, or the good government.

SENEY: Yes, the good government one. And it put together the pay raise plus reduce the per diem. I want you to see this picture because I think it's a good picture. Here you are, the three of you looking very serious. It fits the occasion. And you're putting forward this ethics--

MADDY: Ethics, yes, the pay increase and all of that. The ethics package, right, which we tied together.

SENEY: And that turns out to be a very smart move.

MADDY: It was one of the better moves for legislators and their benefits.

SENEY: Right. Because this [legislative pay raise] commission has been very -- what do I want to say? -- generous, hasn't it?

MADDY: They have not gone after people like they could for certain, and they have allowed this thing to be carried out a little bit like the way we--

SENEY: Well, I'm talking about the amount of the pay raises has been significant.

MADDY: Oh, it's unbelievable. I really didn't think they would go that far. I thought that they have the pay raise. People have given them a higher pay raise than I thought.

SENEY: Than you ever would have.

MADDY: Oh yes, than I thought. I thought we were going to be someplace in the neighborhood of \$75,000 or something of that nature.

SENEY: What is it now?

MADDY: I think it's a hundred thousand. Ninety-nine thousand, plus the increased

per diem.

SENEY: The original pay raise that Unruh put through in the '60s raised the pay from 6 to 16 thousand, with a 5 percent cap, annual cap, on it. And this far exceeds that kind of a cap.

MADDY: Oh my, yes.

SENEY: Now, you gave up honorariums and all these kinds of things that got Mr. Montoya and some others in big trouble. And you gave up things, it turns out, that were probably legal that Members ended up getting convicted for, really.

MADDY: Right.

SENEY: And in exchange you got a pay raise commission that takes the heat. Members can grandstand if they want and refuse the raises.

MADDY: It was smart.

SENEY: Yes, it was very smart.

MADDY: It was a very smart move. The only way we were ever going to get a decent pay raise or were ever going to get anything decent, because the guys did not have the guts, notwithstanding the Bob Beverlys and a few guys we had. The group did not have the guts to vote for their own pay raise, so you had to have some people to do it for them.

SENEY: You know, that was one thing that Senator Beverly became adamant about too was this idea you don't grandstand on that kind of stuff. You know, if you don't want to vote for it, don't vote for it. You can say you don't vote

for it, but you don't criticize the other Members for it.

MADDY: That's why he was so, again, well liked. Not so much that he was well liked for that, but there were people who were on the other side who certainly drew a line that indicated they were not well liked. I mean, the folks who did go after their fellow Members for taking per diem and so on were the ones who, most of us thought, had no class or just were less than guys you'd want to hang around with. Let's just say that.

SENEY: Exactly. You know, in this case, a woman -- Carol Hallett -- when she was Minority Leader, she grandstanded in this.

MADDY: Quite a bit.

SENEY: And got pay raises killed.

MADDY: Did it one big time. She was one of my protégés I worked hard to put in as Minority Leader over there, and she's gone on very well. She's very, very high up in office. Still back in Washington and has done extremely well. Of course, she ran for Lieutenant Governor. But, I mean, she did take the easy road on that one issue.

SENEY: Right. I mean, she really, really--

MADDY: Hammered it home.

SENEY: Yes, she did.

MADDY: In a shrill voice, and we were bad guys for doing what we were doing, and so on and so forth.

SENEY: She later is appointed to be head of Parks by Deukmejian.

MADDY: Was she?

SENEY: And she was not approved. The Rules Committee did not approve her.

MADDY: You could be very right about that. I think there is something in the back of my mind that tells me you're right. It might have been "what goes around comes around."

SENEY: Yes, payback for that kind of grandstanding.

MADDY: I think you are right about that.

SENEY: Because that's a pretty fundamental rule: don't embarrass your colleagues.

MADDY: Absolutely. You don't want to take the pay raise, don't take it. Don't take the per diem. That's what I always used to say.

SENEY: Sure. Vote against it and put that in your literature.

MADDY: Some people can do it.

SENEY: Do you want to take a break?

MADDY: Yes, let's do it.

[End Tape 2, Side B]

[Begin Tape 3, Side A]

SENEY: Senator, I want to go back to the budgets again. I want to talk about the '90-91 budget battle, which was Deukmejian's last budget. And this was a difficult one because we get into a situation where -- I have a copy of an article that you wrote in a county government publication. You get in a situation where the deficits are now really beginning to mushroom.

To me, one of the most interesting things about the 1980s is the budgets went from surpluses to deficits, and it seemed to me as an outsider that the Department of Finance did not really have a good handle on what was going on in terms of the budgets.

Was that true, or did they generally keep you abreast?

MADDY: I don't know whether they didn't have a good handle or they were trying to get the Governor out of office before it hit the fan.

SENEY: The deficit hit the fan.

MADDY: Right. I think the last two years we knew we were getting further and further in trouble, and that we were going in the hole, that we had gone through that fiasco of the billion dollars' giveaway, and now we're coming into a problem where it's becoming clear that we didn't have the money but Deukmejian only had a year or so. And then underlying it, and what was persuasive to me and which allowed me to, I think, be in *particeps criminis*, if you will, involved in this and went along with it, was the fact that--

SENEY: What do you mean by that? That's a Latin term you used?

MADDY: Latin term meaning I was part of the criminal act.

SENEY: Conspiracy in terms of helping.

MADDY: Conspiracy, right. I committed the criminal act.

We couldn't believe that the [U.S. President George] Bush people could not -- and I'm thinking now of the Bush people -- would not, at the

Federal Reserve, put the economy back in a solid role again. We just had to believe that what was going to happen was that the Federal Reserve would come back, and we'd have interest rates change, and suddenly the United States of America would get rolling again.

You know, it was just about that time where Bush went from being the most popular man in the history of being a United States President with 82 percent popularity and suddenly turns around one day and says, "And don't worry, folks, the economy is good," and nobody believed him because the economy was no good. And we said, "He's going to have to turn, the interest rates are going to have to drop," and we were under the illusion that as soon as the national economy moves at all in a positive way -- California is always light years ahead -- we'll be jumped so far ahead of everybody, we'll be back in "Happy Land," and then everything is going to be good.

So what we did was cut and cover. When I say cut and cover, we just found every way we could to borrow, transfer, shift, move money around, so that the budget was balanced. Democrats -- and I thought about it as to why they went along with us. I guess merely because they were planning at that point in time, I think, that they were going to get the next governorship, they were going to be in charge -- let's get out from under this thing and go home -- or for whatever reason. I'm not sure whatever happened.

But essentially what we did was we just avoided the problems and borrowed money, did everything we could to keep Deukmejian from having to face what would be logically a tax increase or substantial cuts.

SENEY: Well, you mentioned the billion return to the taxpayers. During the '87-88 budget -- and that's the cycle in which this came up -- the deficit, the end of that, when the books were balanced, was actually \$741 million, which would have been more than covered if he had left that in place.

MADDY: Oh, that part of it was easy, right. I think it was a lot bigger than that. I think the 700 million was probably considering how much we had hidden. Nobody knows how much we really had, because we went very quickly into substantial money after that.

SENEY: Well, the next year, '88-89, there's actually almost a billion dollar surplus. Then in '89-90, it's almost a billion dollar deficit.

[Interruption]

The following year, and these are numbers you used in the tables in a publication, *The California County*,¹ and then it goes up: '90-91, the budget deficit is \$3.3 billion in change; '91-92, 2.7 billion; '92-93, 2.1 billion. That almost seems too low in a way, but I guess the budget looked worse to begin with, and then after tax cuts and other kinds of adjustments, things looked a little bit better.

¹ March/April 1993, p. 20.

MADDY: A little bit better. But I think there was a lot of--

SENEY: Finagling?

MADDY: Finagling. When Wilson came into office and we sat down and got the real numbers, we were \$14 billion in the hole.

SENEY: In that first Wilson budget.

MADDY: I mean, that's 14 billion. So there's a lot of hidden stuff going on here. These might have been the accumulated deficit, as we kept going down further and further.

But my recollection, again, as to what we did, is operate on this premise that we were going to be saved by the feds and by Bush, and of course, Bush was too late. I mean, he did some of those things but it didn't catch him either. It didn't help him.

SENEY: Well, the economy actually got worse.

MADDY: Yes.

SENEY: And among the things you were doing was sort of crossing your fingers behind your backs and saying that the growth rate will be 6 percent.

MADDY: And it was going the other way.

SENEY: Yes.

MADDY: California was really in a slump.

SENEY: Air bases were being closed.

MADDY: Everything happened to us.

SENEY: Absolutely. It was a terrible pinch.

MADDY: The last two years, Deukmejian just began to get the list of tragedies, and problems, and earthquakes. And of course, Pete Wilson got them. He got everything happen to him that could possibly happen to a governor in a state.

I'm trying to think what actually happened during Deukmejian's time with the earthquake.

SENEY: There was the Loma Prieta earthquake, and that that was in the last year, '89.

MADDY: So that was right at the end of his -- and of course, Pete ended up having to--

SENEY: Deal with that problem.

MADDY: Deal with that problem. My recollection is we were just convinced that we'd get some savior from the feds by interest rates, and secondly, we just felt it was important from a Republican point of view that Deukmejian get out of office without having the ultimate [blame]. The only way we could help him solve the problem would be tax increases. You know, he wasn't going to do a tax increase, even though I think there probably was some tax increases in there someplace.

SENEY: Well, as you know, the double whammy of the increasing unemployment rate is, first of all, falling revenues through less sales tax and income tax collection, as well as increased expenditures under various entitlement programs. So not only is your revenue going down but your expenditures

are going up.

MADDY: Which is the basics. But when it begins to move and gets to moving in a direction, you literally have no control. I don't know what it is, but I don't think that anybody could have told you that it would be 14 billion when Pete walked in. I mean, I don't think there was anybody who was clever enough to even hint that, or say that, or imply that. Whatever happens within the system, it happens in a dramatic and a very hasty fashion.

That's why I think when Gray Davis is watching for the future, he's not going to go into four years from now with a balanced budget with no money in the bank. I mean, I think he's going to have plenty of money in the bank.

SENEY: What Deukmejian used to call his "rainy day" fund.

MADDY: Well, we used to call it a reserve. We used to fight Deukmejian.

SENEY: Prudent reserve, I guess he called it.

MADDY: And Deukmejian used to fight for a reserve that was established by statute, almost by statute -- he wanted it by statute -- with a percentage amount that he would not -- that was part of the budget. We started out with a 3 percent prudent reserve and he gave up on it before the end of the eight years, but he began by that, and that was his way of keeping the spending down. And it worked a little bit, as long as he stayed tough on it.

SENEY: To your knowledge, was there any contact between the incoming Wilson people and the outgoing Deukmejian people over the way the budget was

developing and the deficit was developing?

MADDY: If there was, we didn't see any sign of it. I mean, I was certainly there through both of those, right to the end there. I can remember the early battles when Pete first came in and we first tried to figure out how we were going to solve this problem, and he started out with a very favorable rating in the minds of the Democrats because he recognized early on that we were going to have to raise some taxes, and that was a huge admission. Of course, I was on and I was saying the same thing, so we had at least two of the Republicans and so we were kind of heroes.

Of course, where Pete ultimately, I think, felt embittered was the fact that he did all the right things and then received nothing but criticism from both sides, which told him as a Republican never, ever, ever agree to a tax increase.

SENEY: Well, they beat him up on his presidential attempts and reelection too.

MADDY: Both sides. The Democrats beat him up for doing what he did and the Republicans did the same thing. There was just nothing favorable.

SENEY: And in that case maybe it was more serious the Republicans beating him up because he wanted to get to the Republican Presidential primary.

MADDY: Sure. It was far more important that the Republicans beat him up. He really felt embittered, and from that time on, he moved much more to the right and got tougher than hell on a lot of issues that otherwise were not Pete Wilson.

SENEY: Was there resentment on Wilson's part and the part of his people toward Deukmejian at all for what had gone on with that budget, what he inherited?

MADDY: You know, I don't think so. I'm trying to think if there was any hint of it. I don't believe so. I really don't believe so. I think that everybody felt we were -- you know, I was there for all of it and I wasn't taking any blame for not knowing as much as I should have known. I know that.

SENEY: If we talk about the '90-91 budget, because again, that's the last one of Deukmejian's budgets, and in this case he's trying to link the budget at this late date to what he calls "structural reforms," and he's kind of trying to get to that 3 percent reserve in another way, and that was he wanted some sort of procedural tools that would allow him to cut all spending according to his own set of priorities. And again, this is the *California Journal*.¹

What he was looking for is that the deficit got so bad he could--

MADDY: Automatically cut. He would like to have automatic reductions.

SENEY: Were you at all sympathetic to that?

MADDY: It was an ideal way for a governor or the Republican Party to operate. I mean, it was an ideal way to have us control the budget because things, when they go automatic, becomes automatic and nobody has to vote on it

¹ Op. cit., p. 420.

literally. You just go down the line.

The so-called automatic reductions I think is really a copout, but it's no more a copout than Prop. 99¹ and Prop. 98 and all the other built-in budget gimmicks we have. When you think about it, 90 percent of the budget is already predestined because of legislation. In other words, "X" percent must go to schools, "X" percent must go to parks, "X" percent must go to mountain lions, "X" percent must go here, "X" percent must go here. All that's a copout to the Legislature. I'm really a basic believer that every year we should start with sort of zero-based budgeting. We should start out and say what do we have here in terms of dollars to spend and what's our obligations? And obligations not meaning obligations from the standpoint of somebody passed a law last year that says you will finance education at a certain percentage, but that you will finance education. So how much money do we have for education?

We should sit down and grind out the budget every single, solitary year based on what's available and what our needs are; otherwise, you never, ever get rid of stuff. You never get rid of programs that are no longer efficient or no longer necessary. You no longer ever evaluate does education need 41 percent of the total dollars that are raised in California? What's 41 percent mean in terms of the relationship to teaching a child?

¹ Proposition 99, November 8, 1988.

You could easily say that if inflation doesn't set in, we need \$4,700 to educate a child if there's no inflation, because we've proven last year that it took \$4,700 and we were able to do it. That makes some sense. But to say 41 percent of the money, regardless of whether it's six times what we had last year or half of what we had last year, makes no sense.

And so we're in this mode of percentages that it's just a matter of cutting the budget up today based on who was able to finagle the Legislature at some point in time and get legislation through that guarantees certain amounts of money go into them, until we turn around, until we turn the system around, whereby we have a way of beginning the budget process with what we need, where we have to spend it, and how we get it.

I believe that with all levels of government. I think we should reform all levels of government where every level of government has a revenue source. I think cities and counties should have a revenue source and that is based on city and county type services, and that people, if they want those services, are taxed for them and pay for them so that we don't have any fund that is out there for police services. Police services ought to be based on what you need in each community and what you're willing to pay in each community.

There are some things that I guess you could argue that have broader base. I mean, it's tough to have a transportation system unless you have a

state transportation system that works in some fashion. But by and large, if each level of government had a revenue source they could look to, and the local people had the obligation to vote for their own services -- and of course, that is argued as being patently unfair to poor people, patently unfair to this group and patently unfair to that group and so on. But it really is the only way, it seems to me, that makes any real sense.

Otherwise, we're in the quagmire we're in now with our budget process which makes absolutely no sense and all we're going to do is get along. We're just going to get along until this folds.

SENEY: As enlightened of you and as appealing as it is, might it make the process almost impossible? That is, if no one had settled claims and everything was up for grabs.

MADDY: It is impossible. I mean, that's why it's not being done. That's why we're not getting anywhere with it. We've been arguing local government reform for a long time in trying to find sources of revenue.

But we can't solve it on the simplest and easiest and the most fundamental areas where people will agree, which is on law enforcement and stuff of that nature. If you can't get them to agree on such things as that, you're never. So you're going to have to do it all by trick and device, and figure out ways to balance the budget, as I say, by moving the numbers around or by getting something, by tradeoffs: How do you get a Prop. 98 and how do you turn a 98 around? Or you just keep going, is

what I think happens.

I don't know how we did it at the fed [federal] level. I mean, whatever happened at the federal level where suddenly the economy gets so good that you finally can dig your way out? And the question is: What is Clinton and this Republican Congress going to do to dig themselves out on a permanent basis? Are we going to do something with Social Security?

Look how hard it is for even the matter of Social Security, which in so many ways commonsense tells you that we ought to means test it at some point in time. I mean, you're going to have to, I think, means test it to where you're just not going to say that everybody is entitled to Medicare, everybody's entitled to Social Security. Bill Gates' dad's old enough, but this quote "was in an insurance policy." Of course, my mother at 95 says, "This was an insurance policy. So what. We put our money in there."

Well, at some point in time, something's got to change, otherwise we're not going to have enough money. Particularly as long as we keep trying to expand what we want to provide people.

Health care services. I mean, you pick up today's paper, the most hypocritical kinds of news, editorials, go in, you know? The reason that health care prices are going up is people don't like HMOs [Health Maintenance Organizations]. People don't like HMOs. That's silly. I

mean, health care costs are going up. The more we mandate services, the more health care costs are going to go up. There's a lot of things we can say about health care, but all these increased costs are not as a result of some just mythical turnaround. It's because people, we're charging more, we're getting more, and there's more and more things that are available.

The drugs I'm taking right now, a couple of things, I think they cost \$1700 a shot. And right after I do my chemo [chemotherapy] they give me about three of these shots. Well, I'll take them and pay for them, if nothing else. I'm trying to get them paid for through my HMO, but, I mean, because they do help you. You avoid some pain and suffering.

Then you get into the next question: If you get them -- if you get them -- shouldn't everybody get them? Shouldn't we all get them? I don't know. Sure we should, in one way, but there's not enough money in the world to give everybody everything.

The budget process, that's why the federal level budget process just has to be so goofy, and when they start talking about all of the pork and stuff that's in the federal budget process, it's got to be just the joke of jokes, as people think about this and go through this.

SENEY: Well, much less of it is predetermined, as is the state budget. But I guess what I'm suggesting is, as annoying as all that predetermining is, it actually makes it easier to do.

MADDY: That's why they can do it so quickly in a given year. And only rarely do

they make any significant changes.

SENEY: And now in recent years we've had a budget surplus. People have had a hard time, some of them, remembering when there was a budget surplus, and that surplus is almost harder to deal with than not enough money, because everybody comes out of the woodwork with their tin cups looking for--

MADDY: For something.

SENEY: Yes. And it makes the process much more difficult.

MADDY: And we really, when you compare it to the feds, we have a small problem in California. But our problem is the 6th or 7th largest economy in the world. That's big enough.

And then you take a look and see that education, in terms of what the experts claim we really need, I mean, we're talking about two or three grand a kid. We're talking about several billions more per child -- I mean, per year that's needed for education.

SENEY: Right. They would take it all if they could, as many of these others would. In fact, I want to ask you about education in this budget because not only does the Governor want these structural reforms, but now Proposition 98, the brainchild of his nemesis, Mr. Honig, is in effect. There are a couple of ways in which it can work, again from this same *California Journal*¹

¹ Ibid., p. 421.

article. There's Test 1. As you said, unless you do the problem immediately upon reading it, you can't remember it. Test 1 is a flat 41 percent. Assembly Democrats, backed by the education establishment and with the help from dissident Assembly Republicans, wanted Test 2. Test 2 is full funding of Prop. 98, based on the previous year's budget allocation, plus increases for cost of living and inflation. And the initiative calls for the higher of the two amounts but also allows the Legislature to waive the full funding provision in a fiscal emergency. The difference between the two versions amounts to between 700 million and 800 million.

The Administration wants Test 1, the flat 40 percent. The educational establishment, the Democrats, and these dissident Republicans, headed by Mr. [Assemblyman Tom] McClintock, want the Test 2, which, again, is what was given last year, plus the suggestions for inflation, and it's somewhere between 700 and 800 million dollars more than the Test 1.

Do you remember all that arguing over which test?

MADDY: That was part of when I either called him [Honig] a liar or something in terms of his definition of Test 2 and what the impact of Test 2 was. One of the difficulties was what happens when you do go into a Test 2?

Well, one of the things that was so unique, John Mockler and whoever helped write this, the brilliance of Mockler when he wrote this thing, was that whatever your base was in the previous year automatically

becomes your base the next year. Something along that line.

The point was, that it was not merely going to a Test 1 or 2 in a given year. That locks you in, in terms of the future, so there no longer was the base that we had a couple years ago. This was this new base--

SENEY: Which keeps going up.

MADDY: Which keeps going up. So you do the most casual thing in terms of trying to give education this extra kick. The way you did it or tried to do it, you tried to give it to them so it did not go into the base because the base is what kills you. Because when you've got money again, when you began to get money, and there was additional reserves, then the base was what you spun off of, and you began at that point. And that's where we always got in the argument is the interpretation of what Prop. 98 meant, and nobody could ever pin it down. And Honig would argue one way and we would argue the other.

SENEY: He would obviously argue the way that implied the more lavish spending.

MADDY: Well, what he wanted to do was get the lavish spending but deny the fact that it was going to increase the base. He preferred to say this is not true, we're not going to increase the base; we're not going to end up costing us eighteen times more next year because of the increased base.

Everybody wanted it the best way possible for them, which makes some sense. And even though we might have had the money to throw into the pot, the question was: Can we afford it for the next year? And the

argument was: Did it go to the base or didn't it go to the base? was one of the big arguments at that time.

But that was one of the very, very confusing periods of debate, and the name liar being called, and the fights, and all the other things that were going on. About only two people understood the damn thing. Mockler was one of them and he wrote it for the teachers, so.

SENEY: And here you get this strange situation of Tom McClintock, this very conservative Assembly Republican, and he says he's bound to protect Prop. 98. And this he's doing, according to this article, for political purposes, and that is, what they're trying to do is, if they hang tough on this, they'll force the Democrats to back off and alienate the teachers they helped.

Do you remember that part of it?

MADDY: I thought what McClintock had was not so much whether he gave a damn about the teachers -- there were some of the guys who kept thinking we could steal the teachers back, but I think McClintock had some more technical reason.

There is something that blows the whole thing up. I mean, there's a point where, if you get the base high enough, you break the bank. There were some things involved in Prop. 98 that would force you that if you got the base high enough, you would have to end up theoretically spending 110 percent of the money you had coming in for education. In other

words, there would be zero for everybody else.

And I think what Tom and some of these guys had in mind was if we could push it that far, and we'd break 98, how are we going to break 98 unless it's just become so ludicrous and so ridiculous that it breaks itself?

SENEY: And that's the only way you can get rid of it was to discredit it.

MADDY: The only way you can get rid of it, because otherwise you're never going to beat the teachers in a fight. I don't think we've ever gotten there yet.

As much as people have analyzed what 98 was going to do and how desperate it was going to be and so on, we just keep managing to slip and slide around. Plus, at that time, there was this feeling among some Republicans that we're not going to win unless we get education on our side, so then we have to start trying to cater to the teachers. Otherwise, we're just not going to win any elections in the future if we don't have the education establishment.

SENEY: Do you think that's true?

MADDY: No. I don't think it's true. Number one, I think teachers, probably in their hearts there is as many Republicans as there are Democrats. For one thing, they're middle class. They're going to vote for a lot of other reasons. I mean, education is a priority. I think so many other things play into their voting pattern. When we start to beat them up, like any other group, if we really go after education, we lose a lot of favor. But there are so many teachers that I know that would prefer not to be union members;

for instance, they don't like the concept of a union. They want adequate salaries obviously. I've got both my daughters who teach; neither one of them would pay their dues if they could get out of it. Maybe that's some influence by me, but at the same time, they'll argue over working conditions and all that sort of thing. But they're sure as hell not Democrats by default, just because of one reason or another.

[End Tape 3, Side A]

[Begin Tape 3, Side B]

SENEY: That didn't get on the tape.

MADDY: I was going to say that we're talking about the teachers and the people who make up teachers, and I think they're typical middle class, which means they're probably split down the middle of Republican and Democrat. Number one, they're all educated, so it's not a question of being dumb or unintelligent voters. They're intelligent voters. And so the idea that you're going to steal them away by giving a 2 cent pay raise or something, I mean, I think it's a matter of whether Republicans don't constantly take them on.

I think the whole concept of trying to buy them off is crazy. And I think what's happening, there's a lot of teachers who get disgusted with their unions on trying to falsify information that's out there, vis-à-vis, how much money's being spent, where it's being spent, is it legitimately being spent. There's a lot of teachers who can't stand the stuff that goes on

within their schools. As I say, I have two daughters who both teach in the elementary and they talk about some of the stuff that's waste and stuff that is spent, and they say, "What in the world is this?" Well, that's all teacher union problems. I just think that if Republicans were smart, they'd come in with some legitimate issues that relate to how do you teach children and how do you make things work? And we would do better, depending on who the candidate is.

SENEY: In the '98 election, when there was the proposition on the ballot to do away with the unions,¹ particularly aimed at the teacher's union primarily.. One of the objectives of that initiative was to limit the ability of the teachers union to oppose vouchers, for example. Was that part of it, do you think?

MADDY: I think those kinds of attacks are the things that hurt the Republican Party with the teachers. I think anytime you attack the union -- I mean, I think all these intelligent people are voters that might vote either way. They don't want you to take away their union. They've got a right to a union.

I think there are very few people anymore who are prepared to say that there are groups of people who should not have a labor union if they want one. I think there are a lot of people who will not support the idea of a mandated labor union, like the farm workers. I happen to know the

¹ Proposition 226, November 2, 1998.

strawberry growers. You're not going to say that there's no vote that has to be taken. We find that in a lot of various groups now. Labor is desperate, so they're saying, "There will be a union; that's already been decided. Now all you get to vote for is which union." Well, the guy out there with any intelligence, the teachers, is not going to buy that crap. He's going to say, number one, first, do I want a union? Number two then, which union do I want?

I think where Republicans, we get caught up on all of the issues that seem to attack some of the basic things everybody more or less supports -- the voucher system, I mean, I think more and more teachers might be supportive of the voucher system, but it's going to have to come in a different way than trying to shove it down everybody's throat. It's got to be a local decision. Look at charter schools. People fell in love with the idea. I don't know what charter schools are in any particular way. But teachers like the idea that they're going to have more to say about how they teach these kids.

SENEY: Let me go back to the 1990 budget because here -- what is that? [Holds up copy of article.] Forty-eight point type? "GOP Leader Urges Tax and Fee Hikes," from the July 4, 1990 *San Francisco Examiner*, and that was one of your attempts. And on the next page, when you get to that, it'll show where those various fee increases were that you were proposing.

MADDY: This was when we were first rolling into the big deficit.

SENEY: Right.

MADDY: And I was one of the first to say, “Yes, I’m prepared to vote for taxes as long as we get some permanent reductions.”

SENEY: This is the same budget we’re talking about. Deukmejian’s last budget.

MADDY: Yes, the same one, right. And of course, that didn’t sit very well with a lot of people because the idea was you never allow for a tax increase. But the Democrats were facing, it says, “The daunting task of cutting deeply into cherished social service programs.” What I was doing was cutting away the mandates. I was willing to trade a great number of things if we could cut away the mandates. And so my view was it was pretty easy to block another mandate coming down the pike. But these are all one of the early steps we made.

SENEY: This must have come from your fiscal staff, I would think.

MADDY: Oh, the choices.

SENEY: Yes, the various choices that you gave.

MADDY: Was the newspaper tax in there? I always put that in.

SENEY: Yes, newspapers and magazines, right.

MADDY: They hate me for that.

SENEY: That’s you that did that then?

MADDY: Oh, you bet your life. It’s still there. *Orange County Register* hates me for it.

SENEY: Well, this is, what, to apply the nondiscriminatory state sales tax to

newspapers, which had not been done before under the argument--

MADDY: Well, my theory was they're editorializing everyday about who should pay taxes, yet nobody pays taxes on their damn newspapers. They all made money out of the deal.

SENEY: Although I think that there might be taxes on newspaper sales that would be constitutionally suspect. All you were doing was including newspapers under -- or I guess taking away the exemption from newspapers being taxed under the general sales tax.

MADDY: I think most of those were sales tax exemptions that we were knocking out. Yes, removal of the sales tax for newspapers and magazines, motion picture leases. What I was doing was taking a little swat at most of the Democrats. The number of tax breaks that rest in the hands of some of the richest people in this country -- Hollywood stars and Hollywood producers and newspaper owners -- are all here in California. We give them all a tax break. And my theory was I wanted Democrats to get up and argue for me, particularly Tom Hayden, who was closing all loopholes and so on, you know, "let's talk about your friends; these are all your pals." Of course, none of them wanted to do that, you know, withhold income tax and independent contractors.

You know, we found some easy ones in the alcohol tax. The alcohol was a little tough; that made some people mad.

SENEY: That's a well-organized lobby, isn't it?

MADDY: Yes. The booze industry has always been pretty strong. Of course, when you add it to the wine group, then you really get a strong lobby.

So then the fee increases are a matter of trying to pick out the spots where -- there were a lot of little things in here that meant some things to some people.

You know, there was a little method to our madness in whatever we did. We were going after targets, and it was clear that the targets I had were a little bit of an embarrassment for the Democrats.

“You want to do this or that, let’s talk about your pals down in Hollywood who give you millions of dollars every year.”

SENEY: Because not only do you have motion picture leases, you have motion picture production services, and master tapes and records, printed advertising. And then another one down here at the bottom, which I kind of think is rather elegant, withhold capital gains taxes on out-of-state property buyers. That one’s likely to fly without too much trouble.

MADDY: It was calculated. It was an idea that we threw out. But the thing that upset people was the fact that I was prepared to do anything.

SENEY: I would think.

MADDY: The fact that I was prepared as a leader to increase taxes.

SENEY: Republican Leader.

MADDY: Mm hmm.

SENEY: Who called you on this? Who did you hear from?

- MADDY: Members of the caucus, and why I did it and what I was doing, trying to get them to have as much fun as I was having with it.
- SENEY: How do you mean “have as much fun?” Going after the Democrats here?
- MADDY: Yes, just going after some of these issues.
- SENEY: Drinking water regulation. That’d bring in \$4 million.
- MADDY: I have no idea what it was all about now, but it was something out there.
- SENEY: Family day care licensing fees.
- MADDY: All these are little things that people get through at one time or another in the process.
- SENEY: Right, to get themselves exempted for one reason or another.
- MADDY: Right, and Tom Hayden was going through a bit in which he took all of these so-called exemptions, tax exemptions. You know, the two largest tax exemptions are food and pharmaceuticals, so you’d always begin by attacking Tom. You want to get rid of all loopholes, well, the biggest loophole is food. I said, “Let’s go down to where your pals are, Tom.”
Fun.
- SENEY: You enjoyed it, did you, jousting with Hayden?
- MADDY: With Tom, yes, because he really got on a crusade there for a while.
There was a lot of other stuff in there that he didn’t like.
- SENEY: He was actually thinking about apparently running for the Assembly now that he’s being termed out of the Senate.
- MADDY: I think he’s going to quit, isn’t he?

SENEY: Yes, I think so.

MADDY: I think he finally gave it all up.

SENEY: How was he as a Senator, do you think?

MADDY: Well, he's a very bright guy, very bright person. Probably ineffectual, again on the basis that he didn't have a lot of friends and colleagues that he worked with. He got more towards the end. John Burton came over to the Senate. John began to vote for him a little bit. He was one of the guys who began to vote for him. Before, he never could get more than one or two votes. Then John started voting for him and some of the real hard liberal side began to support some of his ideas, because he can be pretty far out there. But it's hard to evaluate. I mean, with as many brains as he has and ability to analyze things, if he had really focused in on what was doable, and I think he has at the later years. I mean, I think the last two or three years he's gotten more doable.

And he'd vote for you. It wasn't a matter of fighting him too hard because he didn't fight too hard. He gave you a lot of votes, he threw a lot of votes. And so I voted for him whenever I could, unless it was just wild. I didn't vote against him for any reason.

SENEY: It was a case-by-case--

MADDY: Yes, case-by-case. I didn't vote against Hayden just because it was Hayden.

SENEY: Now, probably the worst budget of all -- this was the first budget under

Wilson, this '91-92 budget.

MADDY: A huge one.

SENEY: And at this point it's \$7 billion looks like it's going to be the deficit.¹ As you said, by the time it was all said and done, it was closer to 14 billion.

MADDY: I think it was over fourteen. Yes, we sort of went seven and seven, I think, at some point in time.

SENEY: A number of things were done to close the gap; clearly, tradeoffs. It was only 16 days late, which is not as bad.

MADDY: Not as bad, because we had made up our mind to cut a deal, and once we announced we were going to do it, then it was a question of -- Roberti had the cuts and I had the -- well, let's see. In terms of our Senate program, Roberti had to figure where the cuts were going to be, and I had to figure where the tax increases were going to be. And that was the way we tried to put it together in the Senate.

SENEY: You two get together, and reach some agreement? How does this work?

MADDY: Well, at that point in time, we figured out the numbers, the broad numbers, and then said, "You go figure out what tax increases you're willing to live with and I'll figure out what program cuts I'm going to live with, and then we'll come back and see if we can't put together a package that'll be saleable."

¹ California Journal, Vol. XXI, No. 2, February 1991, p. 51.

SENEY: It looks like you split the difference here.

MADDY: Seven and seven.

SENEY: Yes, seven and seven. Seven billion in income tax and sales tax, and an increase in vehicle registration fees, student fees, and seven billion in cuts. That's always a good group to go after, because you're not going to get too much heat from them, are you, the university students.

MADDY: No.

SENEY: My students always complain to me, "Why do they raise our tuition?" And I say, "Well, because you're nobody. You're going to be here for four or five years and then you're gone."

MADDY: Plus the fact that anybody with commonsense knows you're getting away with murder, in terms of we're giving you an education that you could never, ever purchase anywhere else at this price. Why not charge you a reasonable amount? Although there was a lot of whining and moaning and groaning by Members of the Legislature over how poor the students are, until you go out to Cal [University of California, Berkeley] and see how many Porches they're driving.

SENEY: Take a look at the student parking lot.

MADDY: That's right.

SENEY: It's likely to change things considerably. As we say, "Then look at the faculty parking lot."

MADDY: That's right. You're damn right. Exactly right.

- SENEY: And also a hike in the liquor tax, which couldn't have been easy to get through.
- MADDY: No.
- SENEY: So there was some struggling that had to be done. On the other side of the ledger -- oh, and the elimination of the 56-year-old exemption from sales for candy and snack food as well as for newspapers.
- MADDY: That's mine.
- SENEY: And I remember, you got plenty of heat for that candy and snack one, didn't you?
- MADDY: Oh yes. Oh, they all fought. They all ran in, and Quentin Kopp was the one who repealed it, I think. Oh, they all went in after me on that.
- SENEY: And he got that repealed on candy and snack food, but not on newspapers.
- MADDY: Not on newspapers. They all went after me on the candy and snack foods. I was great fodder for that one because I was increasing the price of candy and snacks -- their junk food.
- SENEY: Did you have any idea that you were going to stir up a hornet's nest as you did over the candy and snack food?
- MADDY: Not to the extent that I did. Ultimately, I didn't care because everything else was worse. At least I could stand up on the floor and make an argument. At least I could sell people on this idea, which I did. I mean, I got it passed.
- SENEY: There's a wonderful picture of you in your files. It's a wonderful color

picture of you standing up there and looking well tanned and at your best, arguing in favor of taxes.

MADDY: All these taxes.

SENEY: Yes, right, right.

Well, I must tell you, Senator, that from the clips, I remember -- because this was a big thing for television news. They would go out and interview these people coming out with their snack foods. I don't think you got too many voters, if I remember correctly from the look of the people who were complaining about this.

MADDY: And I don't think any of them gave a damn, frankly. Nobody cared. I don't know how much Quentin got by repealing it.

SENEY: He was pretty good at publicizing issues and making some hay for himself.

MADDY: Oh, he was fantastic. I had one supporter of my newspaper tax, and if he sticks with his guns it'll be here for a while, and that's Mr. Burton. Johnny feels the same way I do.

SENEY: Oh, does he? You're smiling when you say that. Why are you smiling?

MADDY: Well, I'm just laughing because they really came after him. They really came after him this last year to try to get that repealed.

SENEY: Oh, did they?

MADDY: Oh yes, the newspaper people did. So far it hasn't happened. I mean, he may fall this year. Who knows? But he's now threatening, "Show me

where the money's going to go. Are you going to reduce the price? Is that what you're going to do? Increase the salaries? Is that what you're going to do?" You know, John can be pretty good.

SENEY: And then on the Democrat side, the first ever cut in monthly welfare grants for recipients and Aid to Dependent Children, and that was a 30 percent cut, if I remember the numbers right.

MADDY: Right. The difficulty with what we did and where we lost on all this big deal was that all of the cuts were sunsetted back in again. Now, a lot of ours were too. These were not permanents.

SENEY: The taxes were sunsetted out.

MADDY: Right. We would reduce the expenditures, but within three years, if "X" happened, the price would go back up again. And we did some of that with the taxes, where the taxes would go back in again but not nearly to the same extent.

Most people thought we got snookered at the end, that the Reps got snookered on the basis that we gave away too much; we allowed the Democrats to get all their stuff back in.

SENEY: The taxes stayed?

MADDY: The taxes stayed, yes. And I'm not sure that's true, but there's no doubt that -- going back to '71, that's what happened with the welfare reform of Reagan. And there's a lot of arguments they had. They made those arguments where, if you put out on the deck on a given day when we have

plenty of money, do you want a tax increase or do you want to cut welfare? I mean, who's going to win in those fights? The poor people never win.

SENEY: But to overcome the psychological barrier the Democrats would have against cutting welfare for the first time, was important.

MADDY: Yes. Oh, that was huge for them.

SENEY: You had to give them this sunset of course, I would take it.

MADDY: Yes. All those deals we had to make as a result.

SENEY: And I suppose, too, to get this past the Republicans, because somewhere here we need to indicate that these need two-thirds of both houses. So one-third plus one, which will stop it, so you've got to satisfy the conservative Republicans in this case.

And then there was an adoption of a realignment system to set counties on the road to financial independence from the state in running health and welfare programs.

Later on we'll get into the next budget, or perhaps the one after that, to the actually cutting back, the state taking back some of that \$2.6 billion from local governments.

One of the things that was, I think, hovering over your heads here was the bond rating, the triple A bond rating in this state.

MADDY: Right.

SENEY: How did that play into negotiations?

MADDY: The notion was that if more than 5 percent of our debt was being spent for bonded indebtedness, we were in excess of our--

SENEY: Five percent of the budget.

MADDY: Five percent of the budget -- being spent for paying of bonded indebtedness, that we were being imprudent; that it was not a proper way to go. Those numbers have floated. At one point in time it was 3 percent, and it goes up to 5 percent. It moves around. Of course, one of the ways to get around tough budget years is to pass bonds and pay for everything with the bonds. Then we'd get into fights over bonded indebtedness.

SENEY: Well, Deukmejian did a lot of that.

MADDY: Yes, he did. Right, absolutely. He was a non-borrower, but 'til it got down to the time of living and figuring out how he was going to get through to the next year, then he became a borrower.

SENEY: A lot of it went off the books in that way, didn't it?

MADDY: Right.

SENEY: And my understanding is that for every dollar you borrow, you pay back around a dollar and a half.

MADDY: At least that -- I think. They always put the number out: This is a \$350 million bonded indebtedness, and in ten years you're going to be paying \$500 million; you know, whatever the numbers are. It's always some numbers that scare the hell out of you.

SENEY: Yes.

MADDY: It's like looking at your mortgage on your house. You know, do the same thing. Go buy a house with a 15-year mortgage and figure out what you're going to pay for the house. It isn't 150 grand; it's closer to \$400,000 or \$500,000; whatever it is.

SENEY: The state employees were not particularly interested in this sort of thing, and also PERS [Public Employees Retirement System] was, to some extent, raided, and I guess those monies had to be returned.

MADDY: We did all kinds of shenanigans. We did all kinds of things with the PERS money and the STRS [State Teachers Retirement System] money. All of the retirement dollars we played with during these difficult times, in almost every case we got beat in court and had to repay the money or in some fashion give it back, or do something else to make them whole, and sometimes pay penalties and everything else. I mean, it's clear that it saves the day when we're there, and all of us agreed to it. You fall right in line. They come in and argue and they say, "We're going to get you again."

"Yes, you probably are, but at least we get through this budget."

Well, by this time, everybody's desperate. You want to get a budget. There's no way to get a budget unless you do these things that you know are probably going to backfire on you because somebody's going to come and sue you, that PERS will sue you, that you'll lose the fight in court and then you'll pay that plus penalties. But you do it anyway because that's

the only way you're going to get through the damn year because you don't want to raise taxes, you don't want to make anymore cuts.

And, of course, you don't give state employee raises seldom. They're sitting out there. Again, I think, as much for legal justification. It's damn hard in some cases to rationalize some of the raises that the state employees want, based on everything else you're doing. You know, based on everything else you're doing. But again, it's very hard. It's a tough union. There are more of those people out there than there are anybody else in California. You start trying to cut their salaries, or reduce their jobs, or in any way touch them, the state employees come out of the woodwork. You don't win many of those fights.

SENEY: In a recent court case the state was ordered to put \$1.1 billion back into the State Employees Retirement Fund -- the Public Employees Retirement Fund, and there was almost exactly that amount in surplus. And Wilson -- I don't know, I can't remember what he got angry about -- but the Democrats, I thought he snookered them really good on that.

MADDY: Yes, I remember reading that. There's always these things. He really watched that stuff because he would get disgusted. And the amount of money that's floating out there with the public employees' system, they have a huge amount of money.

SENEY: Especially in this growing stock market. Their investing is very wise.

MADDY: Their investing has been very wise, and they've done some things, and

they're beginning to get more dictatorial, telling corporations what to do and so on. There's a lot of that stuff going on. So there's a great deal of issues out there that I think you'll start to see these people turn to.

SENEY: Well, you know, as a state employee nearing retirement, I tend to pay attention to these things.

MADDY: Sure. Me too. I'm very familiar with everything in the last year.

SENEY: Well, you know what's been going on with the new bill--

MADDY: Absolutely.

SENEY: --that allows you to retire with certain benefits.

MADDY: The two years.

SENEY: Right.

MADDY: Handshakes and all that stuff.

SENEY: And they've been enhanced because of the amount of money that became available, that accumulated in the PERS fund.

MADDY: And the idea that they can hire younger people.

SENEY: Who are cheaper.

MADDY: Cheaper.

SENEY: And presumably their health costs are going to be less than they are for the older ones as well.

Do you remember this '91-92 budget as the one in which you did the most sort of financial sleight of hand.

MADDY: I don't know if this was the 14 billion.

SENEY: Right.

MADDY: I think this was probably the one that was the most traumatic. And as you say, it was one of the early ones. So once we made the decision to go into the point of saying it's 50/50, it's this, it's that -- in other words, the parameters were set -- then it was a question of--

SENEY: And that made it relatively easy.

MADDY: Yes. Then the question, if I had taxes and he had cuts. I mean, that is essentially how we did it.

SENEY: I know that at this point you could have delivered your people in the Senate for the vote.

MADDY: Yes, I was in pretty good shape in terms of delivering at that time, right.

SENEY: Roberti certainly could deliver them. And so could Willie Brown.

MADDY: Willie always had the ability, although -- well, I don't think he, at this point in time, he was slipping much.

SENEY: What about -- I'm trying to think -- was it Ross Johnson who was the Assembly Leader?

MADDY: This doesn't look like Ross. It might be Ross. I was looking for which one they're talking about on the cover.

We had so many Republican guys who kept switching around at the time.

SENEY: I can't remember which one it is at this point. But they always had a harder time delivering, the Assembly Republicans. Didn't they?

MADDY: Much more difficult. Much more difficult with the Assembly Reps because they were more fragmented. They had the McClintocks. They had these guys who were willing to shake, rattle, and roll for the fun of it. And their leadership was always tentative. It was hard for them to get a big grip on leadership. That was one of the problems.

I still don't see who they're referring to as the Republican Leader. I'll have to take an analysis of it one of these days.

But anyway, Bill Jones was there for a while. Ross Johnson was there for a while. They had so many different guys who were in charge, and they would have a hard time going back and trying to figure the whole thing out.

SENEY: I'm looking at the February edition in 1991 [of the *California Journal*],¹ but that might not be the same person.

MADDY: No, that's right. They might not be the same.

SENEY: There was such a turnover.

MADDY: These three are Roberti, Maddy, and Wilson. And then the guy in the background, who looks thin, with his hair to the side, maybe it's Bill Jones they're trying to depict. Let's see, Ross was there, Bill was there. I can't remember all of them. I remember when Ross was sitting there when Bill Jones -- he came down and they got a message that he had to get back to

¹ Vol. XI, No. 2.

his caucus, and he says, “I wonder what that’s for?” And the messenger who came and leaned over, and Ross said, “Well, I won’t be coming back.”

SENEY: Oh really?

MADDY: Oh yes, that’s right. That was it. They had dumped him while he was down doing the Big Five.

SENEY: Oh no!

MADDY: There’s better ways to be dumped but I guess not much different.

SENEY: Well, he’s now Republican Leader in the Senate.

MADDY: Ross, yes. Yes, Ross has always been a leader. Of course, he was always a supporter of mine and a buddy of mine going way back, even though he was much more conservative. But he was interesting that day.

There was always the joke about those of us from the valley who ultimately became leaders because the valley guys all end up being leaders eventually.

SENEY: Why don’t we leave it there?

MADDY: Yes, okay.

[End Tape 3, Side B]

[Session 15, December 3, 1999]

[Begin Tape 1, Side A]

SENEY: Before we go on to talk about the budget some more, I've come up with some more questions about the Hurtt business and the change in leadership.

One of the things that apparently preceded this and showed some of the strength of Hurtt's forces was the replacement of Senator [William A.] Craven on the Rules Committee.

MADDY: Yes. Bill Craven had been on Rules for a long time, but Bill had -- I don't want to say he made the practice; you know, the poor man's dead now -- but, I mean, he literally took time to make decisions on the Rules Committee that offended the more conservative members of our caucus.

As part of the leadership, what I tried to do always, was, number one, cut a deal with the hard right. Because that was the only way I could hold on to the leadership is to have some of the conservatives, so a Doolittle and/or a Bill Leonard would be my caucus chairman. But it was crucial always for me to try to put the votes together for the Rules Committee member -- or the two Rules Committee members. It was easy when I had Bob Beverly because Bob had a lot of strength within the caucus himself. And early on it was easy with Bill Craven. A very well

liked guy; again, was a perfect Rules Committee member because essentially Bill Craven would help you get your staff members lined up.

He would help you with your office if you needed things. He never changed in his view of that. But there would be occasions in which the Rules Committee would vote on various things that sort of touched on philosophy or ideology, and so he would offend.

SENEY: Can you remember some examples of that?

MADDY: I'll give you the key. I can't remember any specific examples. A key issue was a situation when John Lewis and some others in Orange County got in trouble in terms of -- and I can't even remember what they got in trouble for -- but they got in trouble for some action they took. And at one point there was a cartoon that was published in the *Orange County Register* or the *L.A. Times*, I'm not sure which, which ridiculed John Lewis.

SENEY: This wasn't -- excuse me, if I may -- posting the guards at the polling places?

MADDY: Yes. Yes, you are right. I think you are right. That was the issue.

SENEY: Sort of a check on Latino voters?

MADDY: Correct. I can't remember whether there was a vote in Rules that spoke to the issue or what exactly took place, but Craven had the cartoon of that issue framed and on his wall. It was clear to me after it was over that there had been an ongoing effort by John Lewis to reach the point where he -- I

mean, he was vigorously working. And when I say “vigorously working,” I don’t know if that’s true or not because John Lewis is still around; he’d have to be asked how hard. But it was clear that John Lewis was going to get Bill Craven if he could, and he eventually got the votes to do it.

SENEY: This being one of the precipitating things?

MADDY: Well, at one point I overheard him speaking in respect to Bill Craven, in referring to Bill Craven to that issue, the fact that there was a framed photograph. And of course, Lewis made the comment that he got him.

So that was not so much Hurtt; that was more a John Lewis longstanding bitterness over that one issue. And again, I don’t recall specifically whether there was a vote on Rules that was a chastisement or a censor or something of that nature. We don’t have censures to speak of. I think there is a potential for censure but Rules Committee hardly ever does it. But that was sort of the behind the scenes, the thing that Lewis just had to wait.

And of course, on the other side, I did everything in the world to try to get Bill to -- because he loved the Rules. He loved the Rules and that was very important to him, and the respect of the other members was important to him. He really did think he was right. There was not any doubt that Lewis was wrong in what he did and Bill just felt that that was the right thing to do.

And towards the end -- when Bill was ill he rarely showed up -- but

when he did show up or when it was necessary, the leadership could always fly down and bring Bill up for a vote for the Democrats. Now, that was after he got kicked off the Rules, but even before that, he could be easily persuaded. And for a long time, when I was leader, what I did was to try to keep Bill from making those votes. I said, "Bill, it's tough on me, and I know how you feel. You believe that the issue is correct." But I said, "It's tough on me, it's tough on the leadership, because you're part of it. You're my choice to be on the Rules Committee and I'd never do anything else but keep you on Rules," because he'd been so loyal to me from day one. I'm talking about day one, when he got there in '74, or whatever it was. And he just got more bitter and less inclined to even follow my lead.

It was one of the, I guess in terms of all my experiences, one that made me sad, was the Craven problem. He was such a good guy, yet he left the scene embittered. He should have had much more respect. But the boys got him. The only thing I would add as a caveat is that he made it easy for them. We just couldn't hold the troops.

SENEY: I can understand that from your point of view this would be hard for you to deal with. They must have come to you to complain about him voting on the Democratic side on things, didn't they?

MADDY: Continuously complained. Craven got so he wouldn't come to caucus also. He started avoiding caucus. I mean, he made it almost impossible

for me. If I had been a miracle man to keep him in any kind of a role at all that represented being part of the leadership, and he doesn't even show up for caucus meetings. So when we get in there, it was all the side remarks. You know, nobody came [out and said], "Maddy, you have to do something or we're going to kick him off Rules." They never confronted me directly on it, but they said enough about it.

And I would say, "Look it, I'm trying. But you're going to have to understand that Bill is a little more liberal, a little more moderate, but he's always there when we need him on the big things. He's never going to doublecross us on key issues."

And then I got a little bullheaded, except I just couldn't do it to Bill. I couldn't have joined anything that removed him. It would be impossible for me to do that because he was too good.

SENEY: But you did warn him.

MADDY: Oh, warned him and everything. I did everything I could. I'd say, "This is just suicide. You can't do these things." And then behind it all, which I really had not known about -- well, I had seen it earlier. I don't know what period of time I saw the framed cartoon but I didn't know that for some time, and I'm sure Lewis did. In many ways it was tough not to blame John Lewis. Here's a guy, his colleague supposedly sitting there putting up a cartoon with some pride over his downfall.

SENEY: Kind of poor judgment in a way.

MADDY: You know, Bill was a stubborn kind of marine. As I say, it was one of the sad moments. It was too bad because he was such a great guy.

SENEY: And it was John Lewis that replaced him, wasn't it?

MADDY: Yes.

SENEY: On Rules.

MADDY: Yes. He wanted on himself. He wanted to make sure that this thing, it was clear what this was. So those kind of issues and those kind of deals didn't help my last two or three years as leader. I'm sitting there bucking a tough trend and I was holding on as best I could by my own friendships and so on. But my own pals were not doing me any favors. And, of course, in those days I had [Senator] Tom Campbell, who's now going to run for the United States Senate. Campbell was part of my team, and Tom voted against us just time after time, after time, after time on big key issues that were important to the right wing. I mean, I never got too excited about most of the issues, but even a couple of the things that just drove me crazy that were issues for Republicans, Tom was up there voting against me about half the time.

So I'm carrying the load with all the tough guys. Hurtt didn't have anything to do with it except walk into a situation in which it was ripe for somebody who wanted to take me on. Everybody knew how hard I'd tried with Campbell. I think most of my friends and the others continued to say, "You're doing the best you can but you're also a lib[eral], or a

moderate, and these guys are all your guys, so why can't you keep them under control?" And the worst part was, it wasn't keeping them under control on the hard-right stuff. They couldn't do anything but keep their mouth shut because they knew damn well that they were out of sync.

SENEY: Abortion, that kind of thing.

MADDY: Yes, but on the straight stuff, on the key votes, Campbell would just vote liberal on, and then I'd have Craven voting [with the Democrats] whenever they needed him, picking him up. So I'm sitting there with a whole cadre of guys that I'm taking the blame for. You know, they're my guys; that's Maddy's team. It was a little less fun. A little less fun.

SENEY: Well, I'm sure you had to watch your backside all the time in those circumstances.

MADDY: I did, and part of what I did, of course, then was begin to take a little less interest. For a while I fought it pretty hard, and for a while they couldn't touch me because I just did too much. When I say "did too much," there just wasn't anything that I wasn't prepared for. Working on the budget, I mean, I just kept getting the applause, editorial applause, for working out the problems and issues in which even my caucus, the right wing, never liked. There was always somebody who said we didn't do enough, we didn't get enough. But pretty damn hard for them to complain too much because here we were solving these budget problems, the Governor was signed on, they were getting what they wanted. At that time, on the

budget issues, for a long time I was getting literally the bulk of the credit for being the guy who made it happen. And in terms of information presented, I had the Minority Fiscal guys working on issues. So there wasn't anything that these guys weren't being provided as far as assistance on information and so on.

And the only thing that's always been funny, as soon as they took over, as soon as Hurtt took over, there was never again a mention, not once -- I'm the only one who brought it up -- there was never again a mention about issues: What are we going to do? What's our vision? All the things they brought up every single day in my caucuses, nobody ever mentioned it ever again.

I always kid, there was always a thing during the Roberti years. John Lewis brought it up. John Lewis didn't have the guts to ever come out and try to do anything up front. John was a behind-the-scenes man supposedly, that was supposed to be clever and figured out ways to agitate and do things in Orange County politics. Frankly, his reputation was bigger than his abilities, in my opinion. And John and I personally got along fine in the sense that we'd be friendly enough, but I always knew that he was agitating.

So the key was that he picked up early on, and the guys thought it was funny, sort of the right-wing guys that would follow him on, would be proportionality, they called it. And that was, that if we had 38 percent of

the Senate, that we should have 38 percent of the members of each committee. So on some committees, we weren't even close. And my argument was, I said, "Okay, there's an eight-person committee and we only have two Republicans. That's 6 to 2." I said proportionality would bring us -- I forget what it was, but it would be like 4 to 6. I said, "How many of you in the room think it's better to lose 4 to 6 than it is to lose 6 to 2? Do you feel any better?" I mean, to me, when my horse finishes last, it doesn't make any difference if I'm in a four horse field or if I'm in a ten horse field. I finished last, man.

So I'm trying to figure out what this proportionality means. I said, "If you think we have a bigger voice by having more people; you can talk more often; there are no restrictions." I went through all the arguments. But proportionality was mentioned: Have you talked to Roberti about proportionality? He'd bring it up almost every week at caucus: What progress are you making on proportionality?

I gave the joke argument and then I further got down to the point where I said, you know, "For guys like Monteith and MoJo (Johannessen) and some of the new guys here who are going to get their ass kicked at the next election, if it's at all possible by the Democrats, and who are watching every move," I said, "My view is they should take as few committees as possible, have as few votes as possible. Don't overload themselves." In other words, don't be on six committees. Because, I said,

“We’re a minority. The reality is, that Roberti is not going to make you serve if you don’t want to.”

So I would, number one, never be on two committees that met at the same time. I mean I, just personally. “Don’t sit on committees that meet at the same time. Don’t overload in terms of the number of committees you have, because the reality is you can’t do a good job. I’d rather have you be on one or two committees, be a top expert in those, and bring up the issues as they come,” because most of the time you go over there and you don’t see anybody who pays any real attention to what’s going on in the committee except one or two rare souls who either are on the majority side, the Democrats are controlling the committee so they’re controlling the agenda, and once in a while we’ll get a good minority Republican who really has an interest in the subject matter and then becomes a force. And I said, “I’d rather have you be a strong force on the committee, try to drive the agenda,” because you can do that in open committee hearings. You can drive the public a little bit. “And be something rather than just occupy a space.”

Well, the friendly retaliation was, after I lost, I would bring up everyday, every caucus, I’d say, “Rob, I’d like to bring up a subject matter. I don’t hear John bringing it up as often anymore, so I guess I’m the new person to take it over. Have you talked to the Demo leader yet about proportionality?” And of course, everybody would laugh. They

knew that at least I had a sense of humor about it. And John literally never got mad. He was cool enough not to get mad. But that's what I would say at every meeting. It was my way of sort of getting back. Because they never, ever asked another question.

I mean, Hurtt couldn't tell you what goddamn day it was in respect to the issues that were pending before us on the floor that day or anything else. We never discussed issues anymore, literally had no substantive discussions, and everybody seemed to be satisfied. I mean, my guys, the guys that were the more moderate guys, generally did their own thing anyway; had their own agendas and worked at it. And in terms of the conservative group, once they won and I was out of there, then it was sort of satisfaction, and that was the end of issues and literally did nothing. It was almost a joke that last year.

SENEY: They were mostly mechanics, were they, trying to win elections instead of worrying about issues?

MADDY: Well, number one, Rob was totally mechanics. He admitted that. That was what his forte was. But he wanted to take over. He wasn't satisfied with my offer of letting him do all the mechanics and have the extra virtue of having my help to raise money, because, I mean, I was worth a million or two every year, and nobody else was really capable in the caucus. So I said, "You're not going to get any of your guys, your pals, to match my money." And I said, "I'm prepared to put the money in. Let me stay

leader on the substantive side and then you go out and do these other things.” I said, “If I drop out, then it’s another million or so you have to raise.” And I said, “You may think that you’ll raise the money from the third house in the same manner that I did, but if you want to bet on it, I can tell you you won’t. Your side of our caucus is not dependable in terms of third house members and having any chance for working with the caucus on trying to stop a bill.” In other words, most of the third house guys are looking for a more moderate approach. They want some yes’es once in a while as well as some noes. But he wanted the full leadership.

As I said, the discussion, you’re right, was more lining up and trying to figure out how we’re going to win the next seat or protect somebody or this and that.

SENEY: Did you ever talk to Roberti about proportionality?

MADDY: Oh, all the time. Well, not all the time. I talked to him, but it was a joke. I mean, I said, you know, “David, give me one more guy on some place, let’s turn this thing around a little bit,” and so he did. He did it a couple of times. One year we almost had it. We were close because it didn’t make any difference to him. It got to be mechanics with him too. He had certain guys that wanted to be on certain committees and then he had to worry about ensuring that the votes were clearly there. In other words, that he was not going to be challenged on an issue on that committee. Which meant then that he had to make sure that sometimes you needed it 6

to 2 on an issue to guarantee [the outcome].

And then he had these other committees. I always argued, I said, “Who’s going to take proportionality on Public Employees?” which was a terrible committee. I mean, you’re on Public Employees you just get killed every time. Nobody wanted proportionality on that. We couldn’t even get a guy to serve on it.

SENEY: And Roberti wouldn’t be unhappy to put a member on two committees that met at the same time so you could ensure that you’d have a poor attendance record. They could exploit in the next election.

MADDY: Sure. Our guys come and volunteer that they want to serve on two committees, you know, and in a couple of cases attendance was an issue in campaigns. It is an occasional issue. Now, if you’re smart, it’s not a big issue but it’s an issue.

SENEY: Right. Something that resonates with the voters a bit.

MADDY: You develop a bad enough record it begins to show because they’ll begin to play with it in your campaign. In other words, you’re not good on other issues, this is just one more problem you’ve got.

SENEY: Another question has to do with Senator Beverly, who was the other Republican member of the Rules Committee, and he told me in my interview with him that the Democrats actually came to him to say don’t worry, we’ll keep you on the Rules Committee, even if your caucus doesn’t want you on--

MADDY: Correct.

SENEY: --because the whole senate votes on that.

MADDY: Yes. Theoretically, it was our choice, and they respected our choice. Beverly was so well liked that they couldn't kick him off. Lewis would not have made the same move against Beverly because the Democrats would have said, "Screw you." They would have said, "We're going to keep him on no matter what."

I might have been able to get Dems to do that with Craven at some point in time, but I just couldn't -- my own feeling was that the boys might have taken me out too.

SENEY: Well, that would have made life much tougher for you.

MADDY: Yes, in that case, and we got to the point where there was a brief discussion. It hurt Bill's [Craven's] feelings. He was unhappy with me for a while in that I think he felt that I did not do all I might have done. And I admit, I did not go to the Dems. I did not go and say, "Look, this is too important for me." I'm quite certain that I could have done it. I don't want to brag about that. They may or may not have done it, but I could have done it, I think.

But as I say, Bill just went so far that it was just too tough to put myself on the line. As much as I loved him, I wasn't about to. I wasn't about to take a fall over what I considered to be just almost stupidity on his part.

- SENEY: Senator Beverly did say to me that while he was flattered by the Democrats' offer, he didn't really want to have to depend upon Democratic votes to stay on the committee. But the fact that the Democrats were willing to vote for him obviously was known by the new majority in the caucus, and that had to sway their view as well.
- MADDY: Sure. Bob was one of those guys they knew you weren't going to fool with. They knew they weren't going to fool with him.
- SENEY: You know, when you lost the leadership, of course you got to move out of your office.
- MADDY: Correct. Right, the big office.
- SENEY: But you moved -- I can't recall now who you bumped out of a really nice office.
- MADDY: I moved into the old Bill Campbell office that he had remodeled when he had lost the leadership. It was a pretty good office, and I don't know why they gave it to me. I think MoJo or one of the other minor guys had gotten into it out of sort of -- I don't think it was a seniority issue. In other words, somebody was occupying it. My recollection, and I know I can't remember exactly, but my recollection was that the person who was holding it was nowhere close to holding it. Number one, I was senior, so I theoretically could have any office I wanted below--
- SENEY: The Minority Leader's office.
- MADDY: Yes. And so I was smart enough and I was senior to all the Democrats,

but it was pretty clear that I was not going to bump any big Democrat. Nobody was going to be inconvenienced, so find a Republican [an office]. And I can't remember whose office it was now.

SENEY: Well, I have it here, because I'm looking through one of your books, and now I can't remember whose office it was either. And I guess my take on it was that this is something the Rules Committee does: it assigns the offices. Right? Isn't that one of the housekeeping things it does?

MADDY: Yes.

SENEY: So this is a nice office with a view, which is important.

MADDY: Yes. One of the problems was I knew I could take over a chairmanship of a committee, and this was not a committee office. There was no committee staffing space around it. So we ended up taking a piece of Pat Johnston's office across the hall -- it was a little spot. There were two small offices across the hall from me.

I didn't bump any Democrats out of a committee office, yet created a small committee office, and that sort of worked. And I can't remember, again, how it all worked.

MoJo actually moved across and got to be a committee chairman actually up in a much larger office than I had, a much larger office. But it had an inside view and I liked to have the outside window.

SENEY: Well, there is a pecking order in these offices, isn't there?

MADDY: Oh yes.

SENEY: I mean, there's a certain power. The outside view is always better.

MADDY: In most cases, right.

SENEY: Inside view is second.

MADDY: Right.

SENEY: Higher up is better.

MADDY: In theory, higher up was better. When Roberti, Campbell, and myself, and Roberti's number two guy -- it was basically Roberti, Campbell, and myself -- when we rebuilt, did the remodeling, we made a decision what we were going to do, and this is one I pushed extremely hard. I proposed it to both caucuses and said we cannot continue to remodel every office, every single year, at hundreds of thousands of dollars and take this criticism. That we ought to set an office up and there ought to be an office that is an office built for the Finance chairman, an office built for the GO chairman, and the size of the office is based on what we know the workload's going to be, because we all know that. We know exactly what prevails. We know exactly what should be in every office. There are the four Rules Committee members. We've got the leadership over here.

And so that when we built the new building, we came in and I was caucus chairman and they established an office on the 5th floor, in the new building. The Rules Committee members, we put in Rules Committee members' offices, which were larger; basically, all they were was perks. It was a little larger; all had outside views. And we set up committee

offices that were going to be designed, and the key was that when an office chairman was changed, they would just move into the office and that would be it. It wasn't a question of changing the office to suit the chairman; the office was there.

The very first person who broke this was Bill Craven. Bill Craven said, "You can do whatever you want, but I'm not moving off the third floor. I'm not moving out of my office." He had an office on the third floor, and of course, he was becoming more ill at that time and so was having more difficulty to walk, and that was close to the floor. So here we have a Rules Committee member who's supposed to establish and enforce this new idea, so "Katy, bar the door."

Then we got into the women thing.

SENEY: Let me turn this over, Senator.

[End Tape 1, Side A]

[Begin Tape 1, Side B]

MADDY: We got into the women thing. They weren't being facetious but they said, "Some of these colors and things, they might be great for you guys." Mike Thompson was a great duck hunter and he had everything around there all built around his duck hunting and so on, and when somebody was going to move into that office, that didn't work.

That was the end of it. It never lasted one day. The whole great idea, the efficiencies and the money we were going to save, got one little

blurb that we were going to do that, and from day one it didn't work, because here, number one, one of our officials wouldn't take it. Bill Craven wouldn't move. And then it went to hell in a hand basket. Somebody said, oh no, I need an extra space here.

If somebody wanted to follow the official record, take a look at what's over there, if you will -- it's not greed, it's more, what would I say? ego or whatever -- I mean, the amount of money spent on these offices is just atrocious. Party lines mean nothing; it's not a partisan thing. It's just individual.

SENEY: Sense of importance?

MADDY: Yes, whatever. That was the end of those ideas about being efficient and responsible to the public and all that. Just "Katy, bar the door." Anytime you wanted to change something you changed something.

SENEY: Obviously, your plan called for very nice offices.

MADDY: Oh, everything was fine. The concept was ideal.

[Interruption]

SENEY: We were still talking about the offices before that call came in?

MADDY: Yes. But anyway, that was the end of the office deal. It kind of fell apart.

SENEY: You said that you expected to be a committee chairman when you lost the leadership.

MADDY: Right.

SENEY: And Lockyer did make you chairman of an important committee.

Banking?

MADDY: Yes, Banking, Commerce and International Trade. There was only one real issue in the whole time that I was chairman of that committee and that was the ATM [automatic teller machines] issue in which we took the side of the big banks. Number one, I think it's constitutionally improper; I mean, they'll strike it down from a constitutional point of view.

SENEY: You're alluding to the recent San Francisco initiative that substantially--

MADDY: Substantially said that you can't charge for an ATM if you're a bank, even though the people that are using the ATM are not your banking customers. We, I think, passed a bill that said you cannot charge your own customers for the use of an ATM. And I was very strong on that. You know, at some point in time, they wanted the right to do that also, and I said, "You've sold us customers on the idea that an ATM has now replaced the bank." And in many cases it has. You don't have to go to a bank anymore. You can use the ATM for almost anything. And I said, "I am not, as chairman of this committee, going to entertain the idea that you're now going to charge me extra." I said, "I'm a B of A [Bank of America] customer, I go to the B of A ATM, and I don't expect to be charged." Because, I said, "You sold me on the notion that I could do everything through that ATM, and number one, I know it saves you money."

SENEY: Sure. It's cheaper than going up to a teller.

MADDY: That's exactly right. But the idea that Bank of America can't charge a

Wells Fargo customer for using their ATM was outlandish to me. If government can declare what services you can or cannot charge, number one, I just don't think that it's either constitutional or correct.

So that issue floated around that year. And then International Trade was good for me because I did take advantage of the travel to Japan as the committee chairman. I actually went with an educational group but also on international trade and some of the problems that they were facing that year.

So it was a committee that Lockyer said, "Figure out one that you'd like and what you'd like to do within reason here." So that was available, in the sense that, I don't know, some people had moved around a little bit, so I took it.

SENEY: Lockyer, of course, made statements when you were replaced that here's an anti-choice, anti-this, anti-that leadership now in the Republican Party. While I'm sure he enjoyed working with you and missed that relationship, from a political point of view would he necessarily have been unhappy?

MADDY: No. He had a field day. Where I benefited the Republicans, I think, to a degree of being a responsible, reasonable Minority Leader, they now had a target by lumping everybody under the same umbrella, and that was Rob Hurtt. And I think, frankly, he enjoyed, and he told me, he said, "Your guys are perfect for me. They're just making it that much easier," certainly for editorial writers and others who did not have much respect

for Hurtt and generally do not favor the right wing, the hard right.

SENEY: But Hurtt didn't mind that?

MADDY: Heavens, no. There was no concern about the strategy or the benefit of being reasonable, in any case. I think ultimately he was trying to make reasonable arguments on the floor and take positions that were good, strong Republican positions. His problem was, that no matter what he said, you still start out with the first paragraph being, you know, the conservative hard right.

SENEY: Christian right.

MADDY: Right. So you get that, where, in my case, they had a hard time getting after me because my reputation was stronger, if anything, and better.

SENEY: I'm still curious about the committee chairmanship for you. I can't imagine this is an automatic perk for a Republican leader who is replaced.

MADDY: Oh, pretty much so, unless Lockyer and I had not gotten along. It was not an automatic perk in that sense. But certainly in my situation, where I had been held in decent respect by the Democrats, you know, on both sides, and even if Lockyer had not cared much for me, which was not the case -- we got along reasonably well -- I think that a committee chairmanship was a reasonable place for me to go. I just think, you know, keep busy, there's some things you do, what would you like to do?

SENEY: And it eases the fall.

MADDY: Sure. A little thing to, as you say, ease the fall and make me feel a little

better that I got a committee chairmanship, and that way I keep my staff. You know, I had a huge staff and I had lost all the Minority Fiscal consultants. They went over to Hurtt and then Hurtt changed a whole group of them. I mean, changed two or three of them, which was unfortunate from his point of view, in my opinion. Unfortunate for the caucus because they were sharp people.

SENEY: And had institutional memory.

MADDY: Oh, yes, lots of things. He didn't change them all. He was smart enough not to change them all. I think one or two had to leave and he put a couple of people on that were a little bit more politically oriented. And he didn't get rid of them. I'll give him credit for that. He put them with the caucus.

But so, I was without some staff people at that point in time, so then the committee chairmanship allowed me then to maintain a decent staff for all the things that I was involved in.

SENEY: And this would be one of your concerns, wouldn't it, what happens to your staff?

MADDY: Oh, absolutely. You know, eight or nine years as Leader. I think I still have the longest period of time of anybody who's been Republican Leader. So you have a lot of people out there that depend upon you, and I did have some sharp people that depended upon me. I tried wherever possible to get them jobs, and almost all of them got jobs and were able to move from that position into another one. Most of them tried to stay with

Republicans if they could.

You know, my staff was never all Republicans. I had a lot of Democrats, so that would always create some problem. My sharpest, best financial guy was a Democrat, well-known to be a Democrat.

SENEY: Who was that?

MADDY: John Decker. The Democrats were waiting for John to come over.

SENEY: That's a very unusual situation to have staff of the other party, isn't it.

MADDY: I've always had it that way. When I was chairman of the [Assembly] Criminal Justice Committee back in 1976, I took over for either Bobby Crown, who was killed, or I took it over for Alan Sieroty. Actually, I took it over for Alan Sieroty. And he had one member who was his chief consultant, and I can't remember the guy's name, extremely liberal. And then his number two guy -- and this is my problem with names -- his number two guy was a pretty liberal Democrat. He's now a judge here in Superior Court in Sacramento County. And then Billy Rutland, who is more famous this last week or so because he got a big article in the *San Francisco Chronicle* because he's a lobbyist now, he was Willie Brown's chief guy. Well, before Willie hired him, I had hired him. Billy Rutland worked for me. And then I had one individual who was a Republican.

So when I took over Criminal Justice, I kept -- I'm sorry about the name; I could find it in the phone book -- but anyway, the number one guy went with Alan Sieroty. The other number two guy I kept on as chief

consultant, a liberal Democrat -- my caucus got a little upset -- Billy Rutland, and I kept one other guy, who is now a lobbyist here in town also, who is more conservative. He'd been a former Highway Patrolman so had some credentials.

My situation was that I was a fairly decent lawyer who did some criminal work. As I said, I'd tried a case in the United States Supreme Court so I wasn't without some credentials. And my whole point of view was that I did not want their opinion on anything other than their opinion on the law: If you're smart enough and you work hard enough, then you put down what you think the law says, and this is the direction we want to go.

[Interruption]

Anyway, that upset some people, even back in those days, in the Assembly Republican Caucus.

SENEY: Let me go back to what you were saying, that if you're smart enough, you just want them to give you the input on what the law is.

MADDY: I wanted them to give me the facts, and I wanted them to interpret what each bill said, what the members were trying to do with that piece of legislation. In other words, I wanted everything but I wanted no political spin, and these guys worked hard at giving me nothing but the facts and stayed away from political spin, even though I knew where they were on it. And we ended up passing the death penalty statute out of that

committee, along with what was declared to be the strongest law enforcement set of legislation in ten years coming out of the Criminal Justice Committee.

Well, that was fortuitous because what had happened is the Democrats, who had controlled it for all those years, had nothing ever come out of that committee. The sentiment of the public was getting stronger, and stronger, and stronger. The Rose Bird issue. You know, there's all kinds of things developing, and Leo McCarthy was smart enough to know that we had to start doing something.

And the Senate -- they were even, and I forget who it was, but Bill Richardson had bill, after bill, after bill coming over -- all they did was send us the strongest, most difficult to live with law enforcement bills: you know, kill them on the street corner, hang them at the post. They just didn't care what they sent over. They just were all voting for this absolutely strong law enforcement, pro-law enforcement, anti-crime legislation. And we had a caucus, a majority in the Assembly, who were much more liberal.

And so our job -- there were only six of us. I was chairman. There was only six of us, two Republicans and four Democrats, on that committee, and our job was to do something that made the Assembly look like we were at least in the game, because otherwise what the Republicans were getting ready to do was to begin to start to pull bills out of committee

and begin to embarrass Leo McCarthy.

And so I told him what I would do would be, as close as I could possibly do it, would be to try to put out pro-law enforcement bills that he would have to convince his Democrats to support, and I would try to hold down the fight among our Republicans. And of course, I was not totally successful because John Briggs tried to pull a gun bill out of the committee. And, of course, when I'm chairman of the committee, I lose my chairmanship if I don't support the side of, in this case, the Democrats, who opposed pulling a bill out of committee.

Theoretically, if you're going to pull a bill out of committee, number one, you challenge the chairman and you challenge the speaker. And if you're successful in getting a bill out of committee, the speaker might as well forget it, because that means there's enough votes to throw him out.

And so when the death penalty came up, was the story about George Deukmejian, we ended up putting a bill out of the Criminal Justice Committee that was strong enough and was so determined by all of the scholars who looked at it as to be absolutely constitutional and would stand up to the Supreme Court.

Now, ultimately, John Briggs ran an initiative that, quote, "strengthened" the death penalty, so called. All it did was cause the Supreme Court to strike down the death penalty statute again, or a portion of it. All the John Briggs stuff was struck down. And I think, if I'm not

mistaken, the original bill that we put out back in '76, or whatever year it was, is still the death penalty law in California.

I mean, we were absolutely right, but the issue was I had some problem with having liberal Democrats being my staff members. I had some problem in the latter years with the John Deckers and other people who were liberal themselves being on my staff: you know, quote, "some of my guys don't trust them." My issue was the demand that I have is be honest with me. I don't want politics, I want you to tell me what the facts are and what this bill does from a legal point of view, and you have to be loyal to me, and if I hear anything different than that, you won't have a job.

Well, John Decker, and in fact, everybody that I know ever worked for me that were Democrats or Republicans were loyal to me, and it didn't make any difference to me what their political affiliation was as much as how smart they were.

In some cases, in a lot of cases, when you start looking for staff people in the Capitol, for whatever reason, I can tell you that the bulk of the very, very bright people are Democrats. I think a lot of it has to do with if you're a Republican, you're out in the private sector making a hundred thousand a year, two hundred thousand a year; where there's more, I guess, idealists, people who want to work in the Capitol for the sake of working with government. And so my view was I want smart

people. I don't want a bunch of dummies running around who happened to have the right political affiliation. But it did get me in a little a trouble. You know, it did get me in a little trouble.

SENEY: How did Decker come to your attention?

MADDY: I can't remember now. He's a very bright guy. In fact, we're waiting to have lunch together one of these days. But he wasn't the first guy. I mean, I had several. Some were Republicans. As I said, Jess Huff worked for us and a whole group of people that went on as Republicans also. But my tax guy, my financial guy, who did all the budget stuff with me during the years in which I got so much credit for being part of the budget team from '92, during the Wilson years, was Decker. Fantastic job.

I had these little hideaway offices that they gave me. This was when I was working on the side a little bit, trying to find space for my guys. I was Leader, I had the big office and I had no place to put them, and so we found some space down one floor. I'd go in there and knock on the door in the morning and Decker would open the door. He'd been there dead asleep. He'd work all night more often than not. He's just a fantastic guy, very, very bright. And his wife is very bright. She was always chief consultant on, I think, Insurance, or one of the other big committees.

But anyway, Decker himself was only important in that he's a very bright guy. And I had a couple of other people who were not quite the workers that Decker was but were very, very smart.

I had a top gal, two or three top women, who worked for me all in the health field. I think one of two of them, they're still over in the administration someplace in top jobs.

My whole point is, the key was I tried to keep top people. But in my position as Leader and having those top people be Democrats sometimes caused trouble.

My political staff, the guys who were clear political types, the guys who had to worry about that, they were the Pete Bontadellis and the guys who were the pure political. Ron Rogers, who now works for Sal in the private sector, but Ron had run campaigns and Ron was my chief guy on that issue. Jo-Ann Slinkard was my chief of staff who did everything but no technical stuff, and Joann is a Democrat. Joann was a Democrat all the time. She first changed her registration to help my campaign in 1970 and I think she changed back at one time when she got mad at me. But she's probably more Democrat.

SENEY: What did she get mad at you for?

MADDY: Oh, I got too close to Reagan, she thought, in '72 or '4, something like that. Her husband that she put through law school was an attorney in town, had just become an attorney in town. They ultimately got divorced, which was too bad. But Joann was such a wonderful chief of staff, who still does a lot of stuff with me.

SENEY: I know you're still in touch with her personally.

MADDY: Yes. Nobody ever questioned Joann because, I mean, she just was too good. Nobody knew if she was a Republican or Democrat because her venue, which was establishing events and all those kinds of things, didn't take a Republican or a Democrat leaning.

SENEY: Right. And her loyalty was to you personally probably.

MADDY: Absolutely to me personally, right. In fact, Joann always said it to them, she said, "Ken will take anything but disloyalty. You can be incompetent sometimes and you can make mistakes, but just don't ever be disloyal and have him know it," because the one thing that I always insisted upon is you're working for me, and we've got a role to play, and you've got to be with me. So that means you don't talk out of school. There's too much to know and too many things that too many people want to find out, even though 90 percent of it would be nothing, you know, useless information, but I just don't want you sitting around doing those kind of things. And if we're working on a project, we're working on a project and it's nobody's business. If I hold my big golf game over in whatchamacallit, we do it by the book. You take your time off, I'll give you time off. You take leave time but you do the work on the fundraiser and come over to Carmel, and who comes over there and who signs up and who might be occupying a room with somebody else is their business and not our business.

In other words, I wanted people who I could trust in all those circumstances and those cases in which you do things around the Capitol

that you need to have loyalty. Loyalty and brains.

SENEY: Have you had many problems on that score?

MADDY: I never had a problem. I fired one woman, I think, in all my time -- two women -- in my time, who loved to talk about my love life, whatever it was or may have been, or what they thought it might be, and that was entertaining for a lot of the women around the Capitol. Twice it got back to me that they were favorite lunch companions for a lot of the girls in the Capitol who liked to hear what I was doing.

SENEY: Alleged to be doing.

MADDY: Alleged to be doing.

SENEY: Or hoped to be doing.

MADDY: Hoped to be doing. They could fill in those blanks. And so two lost their job in that fashion. Just nice quiet good-byes.

SENEY: Let me change this.

[End Tape 1, Side B]

[Begin Tape 2, Side A]

SENEY: I want to get back to Lockyer's appointment of you to this committee chairmanship.

I guess when I read it, it struck me as almost, I don't know if I want to say "up yours," but something of that kind to Hurtt and his people, that Lockyer would put you in an important position like this.

MADDY: It could have been a little bit of that, but as I say, I never looked at it in

any other way other than the fact that I was senior Republican, I was one of the senior members of the house. There was little doubt that if there was going to be a committee chairman chosen, any committee chairman chosen from the minority party, that I would be one of the logical choices; principally because I wasn't an ideologue or on the list of anybody that was concerned about where I might take a committee. And so almost any committee would have been relatively safe because, number one, the committee was loaded with a majority of the other party. I mean, there wasn't anything I could do if I wanted to do it. If you want to take a look at it realistically -- why is so-and-so committee chairman? -- Lockyer would give committee chairmanships on the Republican side to those, not necessarily when I was Leader that I would ask him to give, but people that he thought he wanted to reward for something, that he could occasionally get a vote from.

SENEY: For example?

MADDY: Actually, Johannessen, which kind of surprised me, got a committee chairmanship. Johannessen started out being a strong Hurtt follower but began to vote in a way that was much more moderate and gave Democrat issues an occasional vote. So he was on the list of Republicans who were along the moderate side.

SENEY: Fairly able guy? Or how would you rate him in that area?

MADDY: I thought he was competent. The chairmanship was Veterans Affairs,

which is a committee that has very little to do.

There was no Republican who was going to get a ball-busting committee that could create some notoriety. I probably could have with my committee if I'd wanted to take off on an issue. But there wasn't much. I mean, the ATM was about the only issue. The international trade, if I was going to stay a little longer, we had a lot to do with international trade if we wanted to.

And some Democrats wanted that committee. They wanted to split off the international trade and put it in their committee. I can't remember who, but I think [Senator Hilda L.] Solis and two or three of the women legislators, Democratic women legislators, ultimately wanted the international trade venue under their committee. Obviously, it's a good committee: you get to travel around the world. I mean, they had all kinds of excuses to do things. And particularly the Latinas have ways of developing a stronger tie with Mexico on some of those issues that were important to them. And that may very well be why Bill [Lockyer] kept it under my committee because I don't think he wanted to venture out at this point in time. I think he knew he was going to make a move.

SENEY: And there might have been problems there.

MADDY: Oh yes. I mean, you could easily get yourself into a problem unless you really spend the time and have the right committee members who are there

for whatever purpose, you know, for the right purpose.

So I don't think it was anything other than the fact that I was the logical person to give a committee chairmanship to anyway.

SENEY: What did he say to you when he gave you the committee? Did he give you any marching orders?

MADDY: No. We just sat down and talked. As I recall, it was very quickly handled. You know, "You want a committee?" As a matter of fact, I can't remember anything about it, other than the fact that we just did it.

SENEY: It's known as a "juice committee" in terms of raising money.

MADDY: Probably would be in some cases. It always could have been.

SENEY: The press reports that discuss this said that Lockyer had to feel that you were not going to be running again for reelection because this is within three years of your leaving the Senate, so they didn't have to worry about you raising a lot of money with it; and yet, you left the Senate, as we talked last time, with half a million dollars.

Did that get raised during this period, or did you already have that on hand, do you remember?

MADDY: I never changed my tactics, the last several years. When I say "tactics," I didn't change my schedule. I had the golf tournament, which was good for 80 grand, someplace in the neighborhood of that. I generally had a series of cocktail parties across the street at the hotel, and beyond that I didn't do anything else. So I'd have the golf tournament plus one other

event.

And what happens is, if the third house likes you and you're a responsible legislator, I can sit there and not have a single event and probably raise \$150,000, \$200,000. Even in the years I didn't run, money would just flow in.

SENEY: A check came once in a while with a letter, "Ken this is--?"

MADDY: This is for your work, your service. We admire you. This is a check on our behalf. And that would be it. I could raise that kind of money without even trying. I mean, I was getting checks after I was termed out. When I had two months left in my tenure, I'd still get checks.

SENEY: Checks would still be showing up.

MADDY: Oh yes. I got checks, I think, after December, last year. I kept them all because I could use it for charity and I could give it back; do whatever I wanted with it. There was a lot of things, frankly, that I wanted to do in a charitable way, and I just figured what the hell. I guess it could have been proper to send it back but they'd give it to somebody else.

SENEY: Yes, less worthy than yourself.

MADDY: Well, I don't know about that, but I knew this, that there were things I wanted to do, the Event Center in Fresno and things that were important for me from a charitable point of view. And frankly, it's hard to give it back. Some corporate exec in St. Paul made a decision that Maddy was going to get \$5,000, the lobbyist said, "I'll give you \$5,000." You know,

it's \$5,000. So for me to give it back and start all over, it almost made it more difficult for them to figure out what the hell to do with it.

SENEY: Do the bookkeeping.

MADDY: Yes. So I did end up with a lot of money. And Lockyer didn't say anything, but he wanted to know where I was going to go with it, and I said, "I'm a responsible Republican who does responsible work. I am not going to engage in any of the legislative races." I said, "What I am going to do is give to each of our constitutional officers a certain amount of money," and I forget what I gave, but I gave Jones and [Chuck] Quackenbush and any Republican constitutional officer, I gave him -- I forget, it was 25 grand or something like that. And then I made it known to Lockyer that Lungren's going to be our candidate and whoever the candidate is for Governor I feel responsible for being part of that team and I'm going to help the Republican candidate for Governor. I said, "You'd do no less; I'm not going to do any less."

SENEY: He didn't have a problem with that, did he?

MADDY: No.

SENEY: That's the way it works. He wasn't crazy about it.

MADDY: You know, kind of semi-threat -- wasn't crazy about it -- and so on.

SENEY: Did he semi-threaten you?

MADDY: No, no. What could he threaten me with? But he understood it. I said, "You'd do no less; I'm not going to do any less." So I gave a considerable

amount of money to Lungren.

SENEY: Well, you mentioned last time \$250,000.

MADDY: Well, I raised a hundred thousand in a fundraiser and gave him \$150 of the money that I had. I guess if the campaign had been closer I might have given more, but I had sort of set amount in my mind, which was around a quarter of a million, that I wanted to save for all the events and charitable things that were out there that I wanted to participate in. I just made up my mind that I had raised the money and had served well and I wasn't about to give it over to Hurtt and our Republican guys to let them throw it away. I figured I had a much better use for it than them.

SENEY: I guess you've answered the question, maybe by implication. I was going to say, did your fundraising ability decline once you left the leadership?

MADDY: I didn't think so. If I'd had another term, if I had run the last time, I'd still be the leading fundraiser, probably, except for -- well, when Johnson got in it, it was a lot different. Ross has always been a pretty reasonable--

SENEY: Pretty good, is he?

MADDY: Pretty good fundraiser, yes.

SENEY: Did Lockyer or Roberti -- I think it would have been Roberti who would have been the leader at the time the change was made -- or was it in the Republican Caucus, or was it Lockyer?

MADDY: I'm trying to think. I think it was Lockyer.

SENEY: But Roberti would have been in right up almost to that point.

MADDY: Almost to the point, right.

SENEY: Did Roberti or Lockyer -- they must have known what was going on. This was an open secret that Hurtt was--

MADDY: Oh, they knew it was happening. They were as surprised as I was when it happened.

SENEY: Because it happened very quickly, didn't it? More quickly than you thought it would happen.

MADDY: Yes. I knew I was on very thin ice. I did not know about the meetings that were being held. That was a total surprise. I knew that Hurtt was anxious. I was trying to placate him -- made him some sort of chairman of the campaigns and so on -- doing what I could. But I did not know there was any secret meetings in which these guys were gathering together. They knew they had to have everybody down with a signature and they knew that they had to put it together and walk in and get it done; otherwise, the forces may rally on my side. And so when the day came, I was surprised. I was surprised only that they had put it together. But, you know, you take it as it comes.

I did have a meeting with Hurtt, and said, "Give me 'til March," and he wouldn't do it. So that was it.

SENEY: You were quoted in the press as saying that you win and lose, and you'd been a lawyer and a horseracing man and these things happen, but it does sort of gall you when someone you've worked hard for and helped out in

every way you could--

MADDY: I wasn't going to let a couple of the guys off the hook.

SENEY: I take it you're referring to Leslie.

MADDY: Yes. I said three: Leslie, Leonard, and Newt Russell. Newt, because I couldn't figure out what bothered Newt. We'd been friends for the whole 28 years. He always was on the more conservative side, and frankly, most of the time he didn't vote with us in the leadership battles; he was always on the more right-wing side. But I thought on a personal thing with me that he was basically happy with what we were doing. And since that time, of course he's told me what a terrible mistake it was. He said, "I didn't realize how inept Hurtt was," -- you know, he thought he was doing it for my own good. I was getting divorced and he was concerned about that. Newt's very religious and he was concerned about the divorce and what I was doing with my life and thought that this would be a help. He sort of told me that he was really doing it for my own good.

But Leonard I just thought was betrayal because he was caucus chairman. My view of being a caucus chairman is what happened back in '83 with Campbell and I. I mean, I was offered to be -- I could have taken over as Leader in '83. They offered me that. And my view of being caucus chairman was that Bill Campbell was Leader and I'd gone to battle with him and there was no way in the world they were going to make me Leader at his expense. To me, that's the caucus chairman. So when they

turned around and Leonard votes against me as part of the conspirators, I wasn't too happy with that.

And then Leslie, who, you know, god, I'd given him everything but the kitchen sink in terms of trying to help him in his political career.

SENEY: I just handed you something, to Senator Maddy. It's a note from Newt Russell saying that their church was praying for you and there were a number of members of the State Senate here -- [Senator] Don Rogers, [Senator] Henry [J.] Mello, [Senator] Phil Wyman, [Senator] Gary Hart, [Senator] Cathie Wright -- that they were praying for.

Do you know what this--?

MADDY: I have no idea.

SENEY: This was in '94.

MADDY: I have no idea. Newt was very serious about his religion. Very serious about things that took place in the caucus, and so on, and felt very strongly. Newt was always unhappy with me on my failure to back the right to life a little bit more. And I did things and said things that were not too politic on that issue. I tried to persuade the caucus not to go forward with the right to life vote because I thought it was destructive. I mean, I thought that was legitimate.

SENEY: You must have been fed up with it after a while.

MADDY: Yes, I was, and I think that I was a little cavalier: I'd use the term "right-wing whackos" a lot. You know, I'd say those kind of things in a very

friendly joking manner, but if you were a right-wing whacko, I'm sure that--

SENEY: There's no friendly way to say that.

MADDY: Yes, there's no friendly way to say it, and I was more often than not tempted to do that. I mean, I would do it oftentimes in caucus. I had several of the -- well, the ones that nobody bothered about -- the women, I used to call them the "education lackeys." You know, "Is there anything you guys won't vote for when it comes to education?" All the women were lined up on that thing.

But I mean, I did it always in a joking manner, but I can see where Newt, as serious as he was -- and we see each other now periodically, and as I say, he came and said he didn't realize how "big a mistake I made" until after it was too late.

I said, "Newt, you probably did me a favor. I really do think that you probably did me a favor because I'd backed off and settled down and took the last year." I traveled everywhere in the world that year, which may or may not have been possible if I'd been Leader.

SENEY: You enjoyed that a great deal, I take it.

MADDY: Yes, I loved the trips. I hadn't done much traveling. So I went to Japan and South America.

SENEY: China too.

MADDY: China and Europe. And so even now, I told Newt, because he's spoken to

me since I've been ill, I said, "It probably even became more of a blessing that I got booted out of that job because it opened up those last couple of years for me to do just what I wanted to do, and now that this has happened, I probably wouldn't have been able to do it."

Leslie was the only guy, and I thought when we went to lunch a month or so ago when he was here he'd have more to discuss about it, but he just wanted to let me know that he was praying for me.

SENEY: And he didn't saying anything at all about the leadership change.

MADDY: No.

SENEY: And it turns out, according to the press reports, that it was he and Leonard who actually worked on Newt Russell to get Russell's vote, which was the final vote.

MADDY: Newt was not going to the meetings. Newt told me later he didn't go to the meetings; he only went to one, which was the one that persuaded him. So the others were trying to figure out a way to do it.

And I think they were frightened to death -- I mean, I don't know how Hurtt frightened them, but for whatever reason, he told them he was going to withdraw his money and he wasn't going to participate any longer if they didn't make him the Leader, that he felt he had to operate from a leadership position.

What was too bad from these guys -- I mean, it was stupid -- they were so much better off by keeping a more moderate face as a leader and

let Hurtt go in there and do all the tough fundraising and the tough campaigning.

And he was probably right: he probably would have withdrawn his money. At some point he was going to have to withdraw his money because he was going broke, unless he's got a lot more money than anybody knows.

And the end result, as I said, at this point in time is probably a blessing, looking at it now.

SENEY: Did you feel that way at the time?

MADDY: In a way I did sort of feel it was a good thing because I was sort of sick and tired of it. As I said, I was running uphill. I had the Craven thing. I had all this difficulty that the guys we were electing were being controlled by Hurtt. In primaries, we ended up with MoJo against Bev Hansen. I lost that primary battle. He found Monteith down in Modesto. I forget who I had in the primary, or I had somebody in the primary -- I forget. Anyway, I wasn't doing any good at all in picking candidates. The moderates weren't winning. With Hurtt's help, the right wing was winning. Now, he picked a few guys who probably lost seats, but the reality was that it was a slow incremental growth of the far right because he was out there searching for the candidate who might have been enough.

And I can see with Monteith, Hurtt gave him a quarter of a million dollars and I gave him nothing. So there was no doubt where he should

have been from a leadership point of view. MoJo, same thing, although MoJo about \$700,000. I finally gave him \$150,000 or \$200,000 one year. But Hurtt gave him more. And then the national right wing. I mean, the Lewises and the boys on the right were going to go that way no matter what.

SENEY: One more thing on this. Ross Johnson didn't vote.

MADDY: He didn't vote. Ross has always been a supporter of mine.

SENEY: You guys have been friends for a long time.

MADDY: A long time. He worked on my campaign for Governor. He was a strong supporter. He told me he would never vote against me, but he also didn't want to, I think, cut his ties with the far right. Ross had been Leader in the Assembly, and I think he's always wanted to be Leader. He gravitates to the leadership position and has been successful both times. He's now the Leader in the Senate. I don't think he wanted to burn bridges, which was all right because not voting was as good as voting for me.

SENEY: That must have pleased you.

MADDY: Yes. I appreciated the loyalty because he could have gone the other way. He could have thrown it in. I don't know if there's any other unusual circumstances. I don't think there's anything else.

SENEY: What I started to ask in terms of Roberti and Lockyer, did they offer you any help in keeping your leadership or do anything for you?

MADDY: No. It was over and done with before any of us knew it. It was done.

Walk in one morning, they've got the nine names -- "We want a caucus meeting" -- we have a caucus meeting and I'm no longer Leader. It's over. There wasn't anything they could do about it. Normally, you don't interfere in that sort of situation anyway.

And as you pointed out -- Lockyer, I'm sure, was leader -- the thing with Lockyer, I think he got up on the floor and gave a speech about what a break it was: "It was good for us." I think he said that. I think there was some statement on the floor.

SENEY: It was good for--?

MADDY: The Democrats.

SENEY: Oh, I'm sure it was. This was a much more convenient foil.

MADDY: And Hurtt helped them. Rob was not experienced when he got up to speak on the floor. He didn't have to, obviously. The Leader didn't have to speak on the floor. There were times that I spoke a lot and other times I spoke very little.

SENEY: Maybe you've already said this: I guess you wouldn't have a good deal of respect for his leadership in the Senate. I mean, you didn't discuss substantive matters anymore in the caucus.

MADDY: Yes, I don't think he was qualified to be the Leader, but who is? There's a question about whether Bill Lockyer was qualified in terms of being just plain leadership abilities.

The key of being a leader is getting the votes. Then they judge you

later as to whether or not as leader you've done anything to help. And there's different versions of that. If you're a leader that increases the numbers, you're a successful leader. If you're a leader more in the area that I was, the editorial writers say that you're a strong leader, then you're a leader in a different sense.

To some of our caucus members it didn't make any difference whether or not we had a good budget or a bad budget. The question was: How many Republicans are we going to elect? I thought the two went together, frankly, that you'd have a better opportunity to elect good people if you had a decent record on substantive issues.

But I'm not sure I was correct in that. Hurtt was promising money and the ability to elect Republicans, and I was not promising much more than what they'd gotten for the last nine years, which was a decent reputation. But we had lost numbers. We had actually lost numbers from the time I started. I'm not sure who we lost. I think we were about even in terms of where we stood in the number of people I had.

SENEY: How would you compare Roberti and Lockyer as leaders?

MADDY: Well, Lockyer was always a grenade about ready to explode. Everybody was convinced that when he became leader that he would blow up before the first day.

SENEY: Because he had a pretty explosive temper.

MADDY: Very explosive temper. They used to joke about M&Ms that he had:

He'd take too many M&Ms and the blood sugar would get too high, and so on. But he controlled himself, he really did. He controlled himself. He'd get mad and he'd storm off the floor and just threaten everything as he'd walk off, and I generally would try and follow him and say, "Bill, this is crazy. Slow down. Let's go back in the back and think about what you're talking about. You're not going to shut the house down. This doesn't make any sense." So I was able to speak with him in those terms. And he knew his downside. He knew everybody thought that he was going to blow up at some point in time.

But in terms of brainpower, he was unbelievable. I remember one weekend he stayed at the Capitol, I think, all weekend to put the committee structure together without really anybody's involvement other than him just sitting down, analyzing every committee, what he wanted to have done with it, where he wanted the power to rest, who he wanted on it, and so on. And as Leader, that first go-around, I gave him a list of what people wanted, what my Republicans wanted, which was my view not to worry about anything other than what the desires of the members were. I wasn't concerned about putting a pro-right lifer -- you know, I didn't worry about the philosophy of anybody, where they belonged. My view was, we were going to be a small minority no matter what happened, so let's not worry about that. And he put it all together in one weekend, an unbelievable task. Roberti always had Cliff Berg and it would take weeks

to get it all done, and he did it over the weekend.

Every issue, Lockyer knew every issue. They give that kind of credit to Gray Davis and some others who watch every single thing that goes through the house. Lockyer watched every single thing that went through the house. There was nothing that moved that he didn't have his finger on.

And so, in so many cases, you had to pay a price. Labor wanted this, you want this. Why do you want this? You're not going to get this unless you do this. That was Lockyer's way of dealing with everybody.

Roberti on the other side I think was as equally as smart as Lockyer was but wasn't a 24-hour-a-day worker. Lockyer was almost a 24-hours-a-day constant worker. I think he still does that. It was never ending. He was just constantly involved in the politics of the day. Roberti was more consistent. Slept late in the morning, came in late. He and his wife never had children and so they were very close. Yes, I'm pretty sure they never had children. I think she loved animals. But anyway, they were very close.

My point being is that he went home at a decent hour every night. He went home to his wife and so he spent a more reasonable time, what you'd call a reasonable time, working his job. And there were a lot of issues he didn't care about. There were many, many things. Horseracing was my specialty and Roberti never touched my horseracing bills unless

some people like organized labor would come to him and say, "We need something out of that Maddy bill," and he would move a little bit. But by and large, that was not his--

SENEY: What do you mean, "We need something out of that Maddy bill?"

MADDY: Well, I was in some way not helping the mutual clerks. I would do something that would allow for more machines to be used as betting machines and the mutual clerks would want a job guarantee that nobody'd get fired, or they'd want this or that. So I mean, when they went to Roberti, if they were reasonable in their demand, he'd come and say, "You've got to make a change, otherwise labor's not going to let you get this," and so on. But it was rare.

[End Tape 2, Side A]

[Begin Tape 2, Side B]

SENEY: This would have missed a little. You were saying that on the horseracing bills, Lockyer would come and want to leverage more for labor.

MADDY: Yes, in Lockyer's last year, organized labor just got to the point where they wanted to leverage every single bill that everybody carried. You could just wait and watch because organized labor would come to Lockyer. They wanted a piece of the action and he was giving it to them. The appetite was insatiable. They just wanted something all the time.

And sometimes they just killed a bill because you hadn't been nice to them. There was some bill, I can't even remember what it was now, but

they just killed it because it was kind of a lesson, and Lockyer was giving them that much attention. My point is, Lockyer was giving them that much attention. Roberti never gave anybody carte blanche in any way. Roberti would listen and if it didn't make any sense, you didn't necessarily get his help.

SENEY: Was Lockyer running for higher office?

MADDY: There was no doubt in my mind, from the get-go Lockyer, when he took over as leader, was running for higher office. So image was important. That's why we talk about John Burton being so well liked by people now. You come and leave when it's a reasonable time, but if there's nothing to do on Thursday, get out of there. Lockyer was holding, like, seminars or bringing in speakers on Thursday afternoon because he knew we didn't have enough to do that day, but he wanted the image of the Senate to be that we worked a full day on Thursdays and so on. I mean, he did a whole series of things that tried to improve the image of the Senate and how we worked and what we did. That was all designed, I think, for future office holding. I mean, he wanted to have a good reputation as a good leader in the Senate. And I think that's why he was very careful about blowing his stack. Because the press wrote about it at the beginning too. They don't write about it anymore. He's over the hurdle. Unless he blows his stack at some point and creates a scene in his new job, I think that part of Bill Lockyer's career, he's overcome it.

SENEY: Were you ever in his presence when he lost his temper?

MADDY: I've seen him, oh yes, many times. He never lost his temper at me in the sense that he would yell and scream. I have watched him when the threats were made: "We're going to shut down the house!" We'll do this, we'll do that. And then he would just walk out because he knew he was going too far.

I was not present during some of the famous things: Diane Watson, when he called her names. I forget who else. There were several people that he had sort of events with that were highly published. So he had that to overcome.

You could watch him. If you watched him at all -- everybody kind of watched him because he'd go off the edge just so quick. It was unbelievable how fast he would go off the edge. And you could see it. The guy was out of control, personally out of control, and he got to the point where he was really trying to be careful because he knew that he just didn't have control over what he was going to say or what he was going to do.

SENEY: How does he become leader with this kind of reputation? How would you evaluate that, from your perspective?

MADDY: On that side, how both he and Roberti -- Roberti came in as leader against Jim Mills. Jim Mills was leader because his view of the Senate operation was: Everybody live their own life, do what you want to do, and stay out

of each other's hair. We've got a job to do; we do it as Democrats. They have a job to do; they do it as Republicans. Seniority is sacred. You know, if you're a senior you get a committee room; you could bump somebody. If you're a junior, you're a junior. Jim Mills, you know, "Stay out of everybody's hair; everybody stay out of each other's hair."

Roberti came in on the basis of, number one, we have to raise money, we have to be tougher. He was aggravated over Rodda's being defeated by Doolittle. Doolittle snuck up on Rodda. Rodda, I think, had \$200,000 in the bank and hadn't spent it, so it was snuck up by Doolittle. And it had been sort of the unspoken rules that you didn't go after incumbents, and that was violated. So Roberti came in on the basis that somebody has to be tough, somebody has to raise the money, "I'm prepared to do it."

Now, Roberti was a very, very quiet man, the last guy you would choose, who, from a leader point of view, did not have any appearance of being a leader, except that he was very articulate. He could speak extremely well. When he wanted to he could give a tremendous speech, and was smart. He didn't have a whole bunch of friends. He wasn't a guy who was sitting around with all the friends. He was very quiet, stayed to himself. He had a lot of things that you would question how'd he get to be leader under those circumstances. Well, he was promising a change and moved at the right time.

And how you put it together, it's hard to say. You get the little group of people that are your supporters, and there are probably two or three people vying who should be leader. Everybody thinks they're smart, they should be leader, they're all in politics.

How Lockyer did it was everybody expected that it was Pat Johnston who was the best liked in both caucuses and among Democrats and Republicans. Actually, Pat Johnston had always been that way because Pat Johnston -- actually, the fight I was thinking about was Johnny Burton when Pat Johnston got the closest.

There was a lot of people out there who were thinking could have been leader in the Democratic side. But whatever Lockyer promised within the caucus -- money raising and probably devotion to duty and the desire to go out there and kill and raise money -- I think was persuasive.

I don't really know what, but it wasn't personality or anything else. I mean, it had to be other things that got the Democrats to say Lockyer's the guy.

SENEY: You mentioned the John Burton election leadership in, what, '98?

MADDY: Yes.

SENEY: I suppose a number of people had been very surprised, given John Burton's career over the years--

MADDY: Unbelievable.

SENEY: Yes. That he's risen so high. How would you describe his election?

What do you know about the innerworkings of all that?

MADDY: Johnny went out and just, person-by-person, persuaded enough people that he would do the job and would do the things that were right. Number one, that he would raise the money and could raise the money. Two, that obviously he knew enough about the operation and in terms of seniority he's right up there with everybody else, if not the most senior person. He was a senior person. Then it's the persuasion of what you give one person or another.

Who was it? [Senator Richard] Polanco was trying to keep the Latinos together and the Latinas. He had made enemies and so Johnny broke off some of the -- actually, he did the best with the women. He started breaking the women off and getting the women on his side. You know, it's what you promise. He promised a lot of things and then persuasively went out there. His chief opponent being Pat Johnston, who many people thought was the most likeable and clearly was respected on both sides of the aisle. Pat never really showed the kind of desire to want the job.

SENEY: Well, he waffled, didn't he?

MADDY: He just didn't -- you know, you've got to really go. You've got to go and say, you know, I'm the best, I'm going to get the most done. I think what people said, he just didn't have his heart in it. He didn't really want to do it. He would do it but he didn't really want to do it. So that was the best I

could figure out.

SENEY: The press reports, if I recall correctly, and if they have it right, which is another problem, apparently Burton asked Johnston, “Are you going to be running?”

And he says, “Well, I don’t know. I don’t think so.”

And Burton said, “Well, I’m going to run then.”

And then Johnston changed his mind and said, “No, I guess I’ll run.”

MADDY: People came to him. I think there were some Democrats who were concerned about John being leader, image-wise.

SENEY: And Polanco, it turns out now, he is the Majority Leader, isn’t he?

MADDY: Yes, Polanco just ran around as a party of one, and Jimmy Costa threw his name in. There were some guys who threw their names in to be leader who had, in the minds of almost everybody, no chance. I mean, they had their own vote and that was it. They imagined they had a bunch of other votes. And Polanco was most famous for that. He was running around, always his view, one vote away from victory. And was using the Latino thing, because that’s the numbers that are growing.

SENEY: If I may, he made the argument that we need to have a Latino in leadership, given the demographics of the state.

MADDY: Sure, things are changing, and I’m the leader. But Polanco didn’t have that kind of support and/or that kind of reputation.

Johnny had a wild reputation. Johnston was sort of the perfect

candidate, yet he didn't have the desire. Once John decided to go, he went. He went and he campaigned, and then he went to see people. And that's the way you get it in that caucus. You go out and you fight for it.

In our caucus, I was one of the few who really wanted it and fought for it, but I think in this last go-round, it's kind of who's going to take it? What good is it to get a big office and a pain in the ass?

SENEY: And of course, again, as we said, it's Ross Johnson who's currently the Leader.

How would you evaluate Burton's leadership up to this point?

MADDY: I would love to be there just to be having some fun with him, only because he is an interesting guy, a tremendous guy to be around and fun to be around. Of course, we know each other so well that we probably would have had a dozen fights by now but it would have been fun to be there.

SENEY: Nothing personal.

MADDY: Nothing personal, no. We'd have a lot of fights over issues and so on.

Is he doing the things members want? Which means you go in and get your work done. They got the budget on time. He gets there in the morning when it's time to get there and gets out of there as quickly as possible so people have time to do what they want to do, which is a big factor.

I think there's probably some people that are concerned over the fact he hasn't moved aggressively on substantive issues to speak of, but he has

stood up to Gray Davis more than once. And I think that the message is clear to the Governor's Office: You're going to deal with Johnny Burton; you'd better know that. Because there's some things that John may want or the caucus may force him to press, and he plays tough when he goes.

SENEY: He's a good politician, isn't he?

MADDY: A very good politician. Extremely good politician. And as I say, he's tougher than hell. Go to a meeting with John, a private meeting with John, there isn't any doubt where he stands almost from the get-go, and he's not going to stand there very long because he gets in there and he gets out of there. He doesn't like to dilly-dally.

SENEY: He's good at that kind of thing?

MADDY: He's good at getting across his message, and then if you don't like it, he'll just tell you so and out he goes: "Okay, then let's go fight." He's in and out.

The Big Five, he hated the idea because the Big Five was not what he wanted to do. He couldn't sit that long.

SENEY: Is that still going on?

MADDY: No, no. They didn't do it this year. They went back to the tradition, which was the Budget Committee put the budget together and they worked with the Governor and did it the old way. And so I don't think you'll see the Big Five as long as Burton's around.

They had some meetings. Frankly, I was kidding him a little bit at

one point in time after they'd had about four or five meetings. I said, "I'm watching you, John. You're starting to like those meetings, aren't you?" And he kind of laughed because he was making a play; he found out how he could use them. How he could go in there and raise holy hell, then storm out. He's smart enough and good enough politician that he was making some use of them.

SENEY: Let me ask you about one other thing here I found in the file. This is a letter from Willie Brown, a very short one, dated September 11, 1991, addressed to you obviously.

"Dear Ken: You are right. I put you and the house in a position to be criticized. I'm sorry."

I was wondering what that was all about.

MADDY: No idea. No idea. It is about the time of the -- in '91? It's beyond the budget time, unless we had a suspended budget operation. I'm not sure. This might have been a year in which we had the budget stretched that long. I have no idea what this is all about.

SENEY: That would be an unusual letter, wouldn't it, for him to write?

MADDY: Yes, it would be. Willie had a tremendous feeling about being accused of either lying or not keeping his word. I can remember one incident in which he came over from the Assembly and brought two guys with him and wanted me to say in front of them whether he had lied. He said, "I want you to tell them what I told you. I don't want any bullshit. I don't

want these guys standing up on the floor saying that I had said this or that to you.” I forget who they were now. I sat there and I reiterated what he had said. Of course he was right.

Willie could really go after them. He could really be obscene. In no uncertain terms he told them.

SENEY: What did he say?

MADDY: You know, you lying pricks. Whatever he called them. I can't even remember what the words were.

SENEY: That's what I'm trying to get you to give us.

MADDY: Well, the kind of quotation would be, “You lying, pricks, you assholes. You can't go before the house and make claims like this when it's not true.” That was important to him, whether or not--

SENEY: And he was a man of his word, from your point of view?

MADDY: Always.

One other time, on some junior college deal, I can remember where I had said something to somebody that inferred that Willie had told me a lie and he came rushing over. He came rushing over and wanted to know if I thought he had lied. And I said, “Why would I? What you told me was this...and that's what I thought you said.” Anyway, there was a third person involved in that and it kind of ended up -- it sort of ended up that the third guy, we both blamed him for our problem. We both blamed him. I don't know whether Willie lied to me or not. I know this, that when it

was all over, we blamed this guy, and we kept our friendship. We admitted he did not lie. But those two instances are the only two I can remember, that Willie did not want to be accused of lying.

When we sat in the Budget Committee, and Willie said, "I can deliver it," we would have some trouble.

We would come back the next time, you know, I said, "You said you could deliver. Where are you? You said you could do this. Now you're backing off. You couldn't get the votes." It was tough on him on a few occasions when he couldn't deliver.

It got more difficult through the years in the budget fights in his ability to guarantee that the votes would be there. He'd always come in and what he generally would do, he'd come in and have a twist or two: "If I can get this," or "give me this, and then I've got it." Now, whether or not it was just good strategy -- in other words, he had it anyway and just wanted to get something more out of us -- it was a strategy. You know, "I can't do it. I can't sell it. Sure, I said I thought I could do it but I can't do it. But if I got this, I could do it." Well, sometimes you do that to get that little extra. He was famous for that.

And the two of us worked extremely well in the budget proceedings, and most people said that, and that's because we would try to leave the room and say, "I think that if [A, B, C, D] happened, that we'd get these other guys. These other guys will fall in place. The Governor just can't

hold off.” And I said, “Willie, [A, B, C, and D] is not bad. I can live with it. I lose big in the caucus on [D] and you lose on [C], but we got to do something.” And we would do things like that. We would walk out and--

SENEY: Talk between the two of you? A side agreement?

MADDY: Right. You know, “Why don’t we go back and get [A, B, C, and D] and then come back?” And we did that several times during the budget process. I can’t give you a specific instance on anything that would relate to that, but that was sort of our way we dealt with each other. Either he had an idea or I had an idea and we’d say, “Why don’t we go back and do [A, B, C, and D] and bring it back to these guys and say that’s it?”

So a lot of things got solved that way. I was staying on top of it. I had an idea. Willie always tried to stay on top of it.

SENEY: He knew his stuff?

MADDY: He knew his stuff very well.

SENEY: Well, he had all those years as Assembly Ways and Means chairman. That must have been helpful too.

MADDY: That was very helpful. And he had good staff. I always sat next to him. They gave him the extra big type so he could see it with his eyes. He’d always look over and say, “I know you’re reading my stuff.”

And I said, “Well, you can read it from across the hall.”

SENEY: He was too vain to get glasses, was he?

MADDY: Well, he wore them but he still needed them. His eyes were really bad

there for a while.

So that's the way a lot of the budget things were resolved is that Willie was extremely good at trying to move things along and was good at keeping his word. I mean, extremely good at keeping his word. I always trusted Willie.

Not that I didn't trust anybody else, but Willie gave his word a lot and then still kept it. It was always easy to sit there through the whole proceedings and not promise anything. You know, say, "I'll go back to my caucus." And a lot of the Reps [Republicans] on the Assembly side, unfortunately--

SENEY: That's what they had to do, wasn't it?

MADDY: Yes, I think rarely did they ever walk in the room with authority. And I think my strength was not necessarily having authority but a feeling of how far I could go and knowing what I could get when I went back. So I could sit there and make a promise, literally a promise, that if A, B, C, and D were there, we could get it. And then I'd go back to the caucus and persuade that A, B, C, and D were right. I think my long suit was I had a pretty good feeling of what I could get and how far I could go with the caucus. And so in negotiations, I think I negotiated from a point of strength. I always acted like I had the votes and knew where we could go.

Now, it wasn't hard because we were the minority, plus I always had to factor in what the Governor wanted, because he always knew how far

he would go. He would veto it if he didn't go along with it, wasn't any good.

But to go back to the word issue, Willie was good.

SENEY: Well, he would be so anxious about that because if your word is not good in the legislative context, you're sunk, aren't you?

MADDY: Yes, you are, and as I say, there are people who never, ever get over the hurdle of not being able to give their word; their word is no good. I wouldn't say the list is long.

SENEY: Can you think of some examples of that?

MADDY: Pretty hard. Polanco is one off the top of my head, I think guys didn't trust him a whole lot. I'm trying to think of guys who made moves that I don't think knew that they had these kind of quiet reputations. I'm trying to think of who else was around that weren't very good.

I can't really think of anybody who stands out now.

SENEY: Are you reluctant to say?

MADDY: No. Not reluctant to say, just I don't want to be inaccurate either.

SENEY: Sure, I appreciate that.

MADDY: I don't want to be inaccurate. Sometimes a reputation doesn't necessarily mean it's true. Even with Polanco.

I can't think of anybody. Guys had different reputations for different things. Paul Carpenter, you never knew when he was snowing you and when he was not. He was known as being extremely bright.

SENEY: When he was snowing you?

MADDY: Lying to you. Snowing, I think, is less than lying. Snowing is telling you something you know is untrue but you're doing it for a purpose. And so Carpenter was known for -- you never were quite sure what Paul was telling you, whether it was true or not, whether it was just a way of moving you or snowing you or getting a little more out of you. And even when you sat down with Paul face to face -- "We're trying to put this thing together"-- Paul was one you always said you took with a little grain of salt: "Go check it." Sometimes people call you. The people who tell you something and you pick up the book and make sure you read it. Carpenter's one of those.

There was a lot of wheeling and dealing and people who would come out of the wheeling and dealing with reputations, and how you get a good one and how you get a bad one, I don't know. I'm trying to think of other current examples.

Well, [Senator] Hilda [L.] Solis, lovely woman, but most people thought that Hilda didn't know what was the truth and what was not, what the facts were and what the facts were not. In other words, she got a rap as being not as intelligent as she probably should have been or could have been.

So I mean, everybody has kind of something flowing around. In terms of the leadership, when you sit down in the leadership room, then

the word and how we were dealing with each other was more important.

SENEY: What don't we have some lunch?

MADDY: Yes, good.

[End Tape 2, Side B]

[Session 16, December 3, 1999]

[Begin Tape 1, Side A]

SENEY: I want to get back to the budgets, and I want to ask you about the 1993-94 budget, because this is the one where things are tight enough that it's time to, in a sense, I suppose, cut loose the local governments from their subsidy.¹ The linchpin of the entire deal, the transfer of 2.6 billion property tax revenues from local governments to the state, was with the money earmarked for the schools.

[Interruption]

Anyway, this 2.6 billion in property tax revenue comes from the local governments, and the brunt of this article is this is when Proposition 13 really comes home to roost.

Does this budget stick out in your mind?

MADDY: No, not necessarily. I mean, I think that those whole series of budgets that we began with Pete Wilson at the very first get-go was, how can we survive? How can we raise taxes? There's a logical thing to do: You either substantially cut government or you raise taxes. And both issues are equally unsatisfactory as far as members of the Legislature are concerned. There's a few areas that, if you can find them, people are willing to cut. But almost every area has a protector or a legislator who wants to protect it.

¹ California Journal, Vol. XXIV, No. 8, August, 1993, p. 8.

The raising taxes is something that I don't care how bad the world is, is in turmoil, it almost has to be in turmoil and it almost has to be in that kind of shape before you can raise taxes. That's proven day in and day out, that the needs are there but you just don't raise taxes.

So one of the issues that the analysis began to show was that we had taken such steps after Prop. 13 and had literally taken over the job of financing local government from local government, because of the restrictions placed on local government. In other words, once Proposition 13 said this is all you're going to be able to collect from your people, notwithstanding the needs and notwithstanding anything else, everything shifts over to the state, and the state literally has now picked up the role of the city council and the board of supervisors and everybody else at the local government level in the method by which you provide services. I mean, there's only so much money.

So then you go back to the state, which means then that the state government begin to review and analyze everything you're doing, from efficiencies -- where are you spending your money? how are you spending your money? whether you should be doing this at all -- and obviously, when it comes time to cut, we're a long ways away from the folks down at the city council level. What we're doing is telling local government, "Tough, you've got to learn to live with this," and the heat all goes on

them.

I think what I'm basically saying is that local government was a perfect target for us because our favorite things up here in the Capitol that we were concerned about were going to continue to be funded to the extent we could, and the rest of it was just going to fall on local government. And we raised issues: Are you taxing your people to the maximum that you should be? Not can be, not should, but could. There were three or four taxes that local government never imposed on anybody. They'd come up to us for money and we'd say, "Where's the tax? Why haven't you passed these taxes? Don't come to us." Everything that they could possibly do to raise revenue we threw back in their face and said, "Don't come to us until you've solved your own problems."

Well, they weren't stupid. They knew if they raised taxes they were going to get thrown out of office too. It was just during that era, it was just how are we going to get through the years before this economy turned around, until something happened good in California again? In the meantime, we were getting our brains beat out with floods, and earthquakes, and fires, and riots. You name it, everything in the world was happening. I'm sure there'll be some books written about it before it's all over of some interest.

SENEY: Was it fun at all, or was it just hard work?

MADDY: No, there was nothing fun about it. It became more of a challenge. We

had the challenge of trying to find ways to skin the cat, if you will. It was terribly challenging and some of the fights became very bitter. I mean, the arguments became bitter. We didn't get into long-term bitter arguments, but the fights were bitter. Some things became sacred cows: education. Everybody took their best -- we always say around the racetrack, "Take your best hold," and not just the racetrack; you say it a lot of places -- but "Find out what your long suit is, find out how best you can make an argument and hold on to it." So those sacred cows, education being the number one issue. When in doubt, use education, which is happening right now in this era. Every presidential candidate and everybody else turns on education, I think, because of the failure of the system in the sense the same thing we were talking about at lunch a little bit about our own situations, our own children and our own grandchildren, that you turn around and say what's happening to the world and why aren't my kids learning more, and so on? I guess we've always had that but more so now than other times.

In any event, it was not fun but it was a tremendous challenge to get it done.

SENEY: One of the growth areas throughout really the '80s and into the '90s is the prison budget.

MADDY: Absolutely.

SENEY: How did that fit in to all of this?

MADDY: We had this huge conflict in the sense of the issues. I mean, here we were at a time when we were absolutely strapped to the limit, crucial in terms of having enough money to support services. At the same time we had this tremendous outcry over the situation in California of crime. We had more crime, and more bad people, and more events happening, more murders, and more this, more that, and a demand to solve the problem by “Carry a Gun, Go to Jail,” “Rob a Home, Go to Jail.” We started this whole list of things that were the favorite sayings. You know, you name the crime, go to jail.

Mandatory jail sentences, and we took away discretion. We went from a determinate to an indeterminate sentencing. In fact, that happened when I was chairman of the [Assembly Criminal Justice] committee back in the late ‘70s, where we went from determinate to indeterminate, meaning that if you were convicted of a robbery, it had a specific determinate sentence. You went to jail for that period of time.

SENEY: What was the politics behind that?

MADDY: Discrimination and racism.

SENEY: You mean--

MADDY: Within the prison system.

SENEY: Racial bias in terms of sentences: whites would get a different sentence than blacks?

MADDY: Right. Blacks and minorities did not get the same parole. They served

longer terms. I mean, the facts were there. Minorities served much longer terms. Indeterminate, they never seemed to get to the parole list. And so it was almost all based on elimination of racism and discrimination within the system, that regardless of race, color, religion, creed, if you robbed a home, the sentence were 3, 5, and 7 [years]. The judge had a little discretion -- 3, 5, or 7 -- but you were going to do 3, 5, or 7 regardless of who you were. So that happened before that.

But as I go back to the other, as I started to say, a tremendous outcry by the public to put people away and get them off the streets.

Here we were, strapped for money, and that cost money. We were loading the jails up. We loaded them up so far and so heavily and then we have again an outcry from the people who are concerned about treating everybody fairly, including prisoners: How can four people live in a cell if it's built for one? So then it's a matter of cruel and unusual punishment. You've got to build new prisons. Liberals don't want to build prisons. If we're going to be strapped for money, the hell with prisons. The alternative is let people out of jail. Well, you couldn't let people out of jail because we had indeterminate sentences.

So we're in this tremendous conflict of ideas and demands that we really couldn't solve. Pete Wilson began to build prisons. George Deukmejian wanted to build prisons and got some built. And that was a trade-off. Prisons became the Republican governors' only leverage. He

leveraged constantly everything for prisons. That was what Duke did. It didn't make any difference.

SENEY: How do you mean when you say he leveraged?

MADDY: Well, if the Democrats wanted anything, then you had to agree to -- I mean, the Governor over here, "What's your list of priorities, Governor?"

"Prisons. Demos, what's your list?"

"Everything else. You're not going to get any money for prisons unless we get this."

And the Governor says, "And you're not going to get any money for education, whatever you want, until we get some prisons. We're going to have some tradeoffs or we're not going to ever accomplish anything."

Interestingly, as strong as the public felt about crime and all the rest of it, there wasn't the same outcry, or there was certainly no support for building prisons, except for the construction operations and the prison guards, and the CCPOA [California Correctional Peace Officers Association], the prison guards, who said they were suffering under the working conditions and having to be in these crowded prisons.

SENEY: This is the California Correctional Peace Offices Association, which is one of the most important lobby groups in the state.

MADDY: Well, they got strong because they decided that the only way they were going to survive in this environment is to have a strong union, so they began charging large union dues and began to spend their money. I mean,

they're right up there in the category of the Trial Lawyers in terms of dollars. I think they're probably the strongest state employee group that was single-minded. I mean, they were single-minded on what they wanted. They weren't all over the map. What they wanted was high salaries for a tough job and they wanted conditions at the prisons to be such that we had places where we could store people.

SENEY: And they were pretty effective, do you think?

MADDY: Oh, they're very effective. The one plus is that, as a union, they're Democrats and they've got influence over Democrats, but they were supporting basically a Republican issue, which was the prisons.

SENEY: So they had both sides.

MADDY: Had both sides, sure. And, you know, these contradictions and these problems that we had in trying to solve our state issues was tremendous. Now, it was aggravated by the fact that we had Republican governors and Democratic legislators.

Now, if the same problem comes back with Gray Davis, who has a Democratic-controlled Legislature, it'd be very interesting to see how they would handle the problem. Because there's a point where you're not going to ignore crowded prisons. You either start letting them loose or you get soft on crime, and we have not had a soft on crime issue for some time, since the Democrats decided to be hard on crime. I mean, until the Gray Davises of the world came around, who is pro-death penalty and

talks about tough on crime. You can't find a Democrat today who is weak on crime. Once in a while you'll get a [Terrance] Hallanan in San Francisco running for district attorney on the basis he doesn't want to convict anybody or something, but by and large, Democrats have taken over the issue of hard on crime.

SENEY: Well, the Republicans have driven the issue, haven't they?

MADDY: Yes, we've always pushed the issue and now it's no longer ours. It used to be a good issue. The Johnny Burtons of the world are going to stand there and be opposed to increasing penalties and going to be opposed to building prisons. Not so much opposed as using it as a leverage, using it as a major factor.

So in the midst of this thing, we're almost in an impossible situation in terms of the politics and what had to be done in the state. I don't know how many prison cells Deukmejian built, but it's an outlandish number. It's a huge, huge number. So you know how big the problem was, and I think right now, if you took some evaluation, every cell is three times occupied what it should be.

SENEY: Yes, there's overcrowding already.

MADDY: Oh yes, there's overcrowding now, and we never did get undercrowded.

As I said, we had a situation that was literally beyond solution without everybody giving a tremendous amount.

As I say, it was a challenge, it was interesting, and you dealt from

the point of view of leverage and you dealt from the point of view of publicity and how good a job you could do in terms of trying to sway public opinion and get editorial writers to go your way and so on.

SENEY: In this '94 budget, and I don't know if you remember this or not, but Assemblyman Vasconcellos came up with what he called a "smart budget."

MADDY: Right.

SENEY: The term "smart budget" I think did not make people happy. Do you remember that?

MADDY: Yes. I forgot what the essence of the "smart budget" was, but--

SENEY: Well, it was a balanced call for an extension of the sales tax, agreed to this transfer of property tax revenue from the local governments. It took a knife to some of the liberal sacred cows, suspending renters tax credit.¹

MADDY: What he tried to do, and the reason he called it smart, was he tried to find some middle ground budget, is what he tried to do, and then he called it smart as something to get some publicity. The trouble with John and his "smart budget" was that what he thought was a slice down the middle was nowhere close to being a slice down the middle as far as either side was concerned.

Well, I shouldn't say that. It was still a very liberal budget. It was

¹ Ibid, p. 9.

nowhere close to being what Republicans would accept as being a middle ground. And typical John, John worked so hard at trying to get this thing accomplished, because he was a budget man, that his view of middle ground and compromise was, unfortunately, just not very close to what Republicans considered to be a compromise. And I guess that's because of where you begin. If you begin at point A and extreme left and you move three steps, you still haven't gotten to the point to where you're anywhere close to where everybody else is.

SENEY: Should I look at this as an attempt by Mr. Vasconcellos to get back into the game, the budget writing game?

MADDY: As I mentioned the last time we spoke, when we went to the Big Five and the leadership was sitting down with the Governor, the Budget Committee and the Budget Conference Committee, which John was alternately chairing with Alquist -- every year they would switch back and forth, back and forth -- became nonentities and nonplayers. I mean, they played with the little stuff. And it was frustrating for John. Al, I think -- Alquist -- was less concerned because he wasn't deeply involved on all of the small substantive issues, but John was, and John was also deeply involved in the big picture. He saw the budget as a total entity.

So he, along with several others who sat on the Budget Committee, some of the Republicans felt the same way, that this is a joke: "We're meeting every day" -- Cathie Wright was on it some of those times -- "and

we're meeting night and day and we're fighting through all of these issues and then you guys take them and just drop it without even giving us a nod, as if we have no concern," and they were absolutely right. I mean, you could have had two staffers sit down and do the same thing they were doing. Probably not quite that easy but literally all they were doing was arguing over the little stuff and the pork barrel stuff. I mean, they were trading pork: Who wants this and who wants that? And then all the big stuff was sent to the Big Five and we would argue out all the major issues.

So John, you're right, who truly wanted to be and probably deserved to be, except that John was -- you could never put John into a Big Five and expect to get anything done. He would only compromise so far and then John's principles wouldn't allow him to do anything more. Yet, I say that and when push came to shove at the end, when they needed his vote to get the budget out, even though he could make his argument as to how he'd been insulted literally, he generally gave us a vote.

SENEY: He didn't in this case.

MADDY: He did not in that case. I didn't realize that.

SENEY: I think he's the only one who didn't. Maybe this is the only time he didn't.

And this was because Willie Brown comes into the Conference Committee, to which you've alluded has been working, as you say, day and night. Appeared before the committee late on a Friday afternoon,

“and told startled conferees that the Governor and the legislative leaders,” the Big Five, “had met behind closed doors to work on a budget the conferees should be prepared to vote on that weekend.”¹

MADDY: Willie was not subtle sometimes. But there was no doubt that he was absolutely right. The Big Five, we really didn't care whether they voted on it or not. What Willie was saying, “Put something out so we have a vehicle on the floor, and as soon as we get a vehicle on the floor, then the amendments will start coming.”

SENEY: The amendments that--

MADDY: That we have decided.

SENEY: --encompassed what you've agreed upon.

MADDY: Right, we have decided.

And then what we did is we then came up with these budget trailer bills, this new phenomena of having these budget trailer bills. We'd put the budget out, we'd have one big vote. That was the budget. Then everything that was substantive and everything that was important was left in the budget trailer bills, which began as three or four, and at one point in time I think built up to be twenty-five. And what happened is the Big Five, the key people, would have the job of getting those twenty-five bills passed after we passed the budget. And of course, you had to hold the

¹ Ibid.

votes, and in some cases we didn't get all of them.

I was always given the assignment of some damn thing that had to do with agriculture, which was a tax increase, and I think I lost it two or three times. I mean, I lose it every time. Well, then you're gone 17 million, so now you're out 17 million. And then somebody else would lose something else over here.

We generally planned it, as the Big Five, as we were moving things, that those of us who were either the Big Five or in some fashion directly involved in what was going on had to carry the water on the floor, and you had to make the arguments. And then, of course, the leadership had to produce the votes.

And those were fun times. It was fun. We got it done, invariably got it done, and then you'd go back and forth -- Roberti and I going back and forth -- essentially say, "Goddamnit, you told me [so and so] was good. Now what am I going to do?"

And Roberti would say, "I can't help it. This person, we've lost this one."

"Well, you lose that one, baby, and the next big vote you're losing that one too. We don't get this, you don't get that." And this whole thing would just blow it up.

SENEY: You enjoyed that, huh?

MADDY: Yes. That was all the negotiations and battles and so on. We'd just say,

“You want to start over? Let’s go start over. I don’t care. That’s fine with me. I’m good for the rest of the year.”

SENEY: Why trailer bills? Why not put these things in the budget itself?

MADDY: Well, the trailer bill concept was, you had to count your votes and you had to be certain that you could put the bill out if it was by itself, but if you combined it with anything else, you’d have enough “no” votes in there that you couldn’t get the thing out.

So the two-thirds vote bills, all you had to do is put something into a two-thirds vote bill and you lost the two-thirds vote bill. But run the two-thirds vote piece of legislation by itself, you might beg it out. I mean, the risk was less if you narrowed down. And, you broke them up sometimes for the leverage, for the fact that you wanted to have this thing back in hold. This was one that was crucial to them, for the Demos, and so you’d hold the piece back here: “I want this one separate. This one’s got to be separate because we ain’t going on this one. We’re not going on this one until we go on this one over here.” So that was the way it kind of worked.

And of course, you began with the agony of John about how this was insulting and unsatisfactory and not the way to legislate, etc., etc., etc. Which you did. I mean, you’d always praise them and do the best you could for their hard work and so on. And generally speaking, every good budgeteer, even on that little thing, made sure they had enough stuff in there, that push come to shove, they learned quickly: “I’ve got to have

enough in the budget that the Big Five doesn't care about to make sure that this thing's going to be good for me." So they always had enough stuff in there, the smart ones did anyway.

SENEY: I take it these trailer bills would not necessarily be bills that required a two-thirds.

MADDY: No, it was a mix. Some did, some did not.

SENEY: When you're talking about, say, the tax ones--

MADDY: Tax ones had to have two-thirds, right. I'm trying to think what the heck that was. It had something to do with some product, some pesticide product or something. I can't remember now what it was but it was one we fought all the time. I always had to have the losers. I did carry a lot of losers, you know?

SENEY: Well, in this budget we're talking about now, this '94 one, Willie really did have to lay the hammer down, as they say here, on some of his people, reminding committee chairs who appointed committee chairs, and that sort of thing. So this may have been one of the ones you were alluding to when he came back and said, "I'm having trouble getting my votes on this."

MADDY: If you were playing a role in the leadership of David Roberti and you were a committee chairman under David Roberti, there was a time when David Roberti very well would come to you and say, "I don't care how you feel, we've got to have this." I mean, however he said it. The minority had far

less. I had no leverage. I had nothing to give, nothing to take away. And it's true on the Assembly side. We Republicans had nothing to give and nothing to take away, except we had the Gov, and to the extent that I used the Gov for the threat, that "You may think you can do this with impunity--" And some could. Let me tell you, there are some of my colleagues, particularly those on the far right, who never did have a bill that they cared about or wanted to pass. All they were concerned about was stopping bills. They were "no" votes. Well, if you're only concerned about "no" votes, then I had no leverage, because I never, ever, ever, ever threatened personal retaliation, meaning your office space, or your this, or your that, or a trip, or anything like that.

SENEY: Why not?

MADDY: I just didn't think that was appropriate for me to shift into that kind of tactic.

SENEY: Because others certainly did that kind of thing.

MADDY: I think others may have, I don't know. But I never did. I never, ever did that. I did, to the extent that I could, find out if there was a judgeship or if there was something out there that the Governor had control over that they really needed.

When I say I turned to the Gov, it would be to get Allan Zaremborg or one of the other legislative liaison people or somebody, and I'd go down and say to them, "You've got to talk to the Governor. The Governor

in some fashion's got to say on this deal, 'Unless you give us some consideration--'"

I can't give you one specific instance in which we did that, but at the same time I know that in some cases we either tried it or may have used it. I just can't think of a specific.

But, you know, you did everything. I think I told one instance when I had Becky Morgan, Marian Bergeson, and Cathie Wright all sitting around me in the room crying, all three crying, all three refusing to vote for the budget, all three telling me how much they had sacrificed and how much they had done for me, and how much they had done for the Governor, and how little anybody was concerned about them. And I blew up and just said, "Every single time we have this kind of day, the three of you do this to me. You sit down here and you begin this whole procedure where you don't always tear up, but you sit down and you just do it to drive me crazy." And I said, "I'll tell you how close I am. We can keep this up, and when you really have something legitimate to come after me with, I'll listen and will continue to listen. But," I said, "You may get me to the point to where you do it every single time that I'll just quit listening and I'll quit asking. I just will not ask you ever again for anything, for any help, for a vote. And then you're on your own." And I said, "I'll be happier, you'll be happier," and I said, "I don't know what you'll get out of it, but I don't have to go through this. I just can't take it any longer."

And they all stopped and had some conversation, and they all came back and said, "We are sorry. We know what you're going through."

I think on that instance they knew they were asking for stuff that wasn't quite as necessary as they needed it to go this far, and so they did get forgiving and said, "We'll be better," and "We're sorry," and "You are putting up with a hell of a load and you've got our vote."

I can remember that instance specifically. I don't know if it was the '84 or what year it was. On some of the tough guys you just said, "Any chance?"

"No."

[End of Tape 1, Side A]

[Session 17, December 6, 1999]

[Begin Tape 1, Side A]

SENEY: Senator, as always seems to be the case, I have a few more questions about last time's subject, the budget.

In the '93-94 budget there was some chatter in the press about it, that Willie Brown had kind of set up Pete Wilson, looking forward to the 1994 election. That there were some things in there that might have gone bad and might have worked to embarrass Wilson. I don't recall that they did. I don't think Wilson got burned by that budget, but do you recall any of those kind of machinations?

MADDY: I don't recall any publicity or discussion or any specifics about that budget that would result in that outcome. You know, those budgets were such a grind. Every one was essentially the same: How do we get it done?

There very well could have been. It would not have been difficult to insert things in the budget under those circumstances that were in some way ball breakers that none of us could see, if you were clever enough.

And there was a lot of staffers. Willie always had the advantage of very strong staffers, although one of the things that the Big Five had, and one of the reasons that I liked it, and one of the, I think, sad results about dropping the Big Five now for the minority party Republicans, the

Minority Fiscal Consultant staff that I had put together that was part of the ones that worked for me and the Senate Republicans, they were getting more expertise as they went along. So they matched the Department of Finance and the majority party, which in almost every case was stronger on the Assembly side. We were matching their talent with our talent, just by the fact we were coming back into the same arena and doing the same thing. Whereas, in the traditional way, where we'd just go into the conference room, those staffers do the best they can but they're outnumbered automatically. They don't have their boss around to help engage in the fight with the other leaders.

I think there was some virtue to the Big Five, far beyond the ego of being in it and part of it, and that's the staff work.

SENEY: Did you welcome that when Deukmejian opted for that method of dealing with the budget.

MADDY: Oh, I think I liked it. I don't know if I welcomed it. I think that we weren't getting anywhere, and that certainly I was confident enough in myself that I thought I could negotiate pretty well, and that we had to get into some sort of an arena where there could be a give and take.

It was very difficult to get the four of us. It didn't do much good for Willie and I to sit down and talk if we couldn't find the other two. This got us all there.

And the Assembly Reps were having so many difficulties at that

time and changing leadership and so on, that it was very hard to get them in one spot. And the key to this was that this forced decisions. We'd get down to a point where we'd all go back and "Let's get it done." If you didn't, it meant you were going to sit down for a while, and most of the guys didn't want to sit down. The closer it got to going home time, the easier the decisions came.

SENEY: Do you remember in any of these budgets any of the negotiating successes that you had that stand out particularly?

MADDY: No, I really can't. I never took them in individual chunks. This was all big and broad, and I can't remember any specifics. The things you remember are the ones that meant something to you personally. I rarely, if ever, had anything that was personal. I mean, all the personal stuff I got, frankly, was all at the end, when I was leaving.

The Equine Center, of course that was not really a true picture to the budget. That was legislation. But things like the Community Hospital, Pete Wilson gave me that at the end when I wasn't even on the Budget Committee. I don't remember anything.

SENEY: Is that going to be named for you?

MADDY: It is. The Equine Center out at UC Davis is named. It is the Ken Maddy Equine Medication Center.

SENEY: What about the community hospital?

MADDY: Community Hospital in Fresno, you just can't get there without driving on

Maddy Lane.

SENEY: I like that. You're smiling too. You must be pleased.

MADDY: Well, I'm pleased. I can't help but be a little pleased. I'm pleased in the sense that some of it is deserved and some of it is as a result of the illness. But I'm pleased a little bit because people do now give me -- I get little notes. You kind of laugh about it, but I get notes from old friends who haven't seen me for years, and years, and years in Fresno and will write back and say, "Congratulations. We always thought you worked hard and did a lot for Community Hospital, and certainly it's not too much for them to have the roadway." And then there's a little explanation sign with your name on it.

My two grandsons live down there. They're in the 5th and 6th grade. I'm sure at some point in time it'll be nice to see that. At least it gives them something to question as to who I was, because obviously, they forget quickly after you're gone. So it's kind of interesting.

And then from the racetrack point of view, it was always my avocation, one, that I worked really hard. I mean, I really worked hard and was out there on my own for a long, long time. And I had a lot of help. Gary Condit was terrific help at a key point. In fact, this center could have easily had his co-name on it. He was my conspirator. I snuck it into the bill through him and the financing for it.

But there's a certain amount of ego and pleasure involved in it, and

for different reasons. There's the highway, there's the Turf Club at the Fresno Fair, which is really just a smile. They have two major races. There's two permanent horseraces. If you're a horseracing fan or you own horses and you pull out the so-called California Breadstakes Races and go through the list of the stakes races, there's the Ken Maddy Sprint that is run every year at one of the racetracks. And then there's another major event that is at another racetrack.

SENEY: Well, that's the one you went to recently, wasn't it?

MADDY: Yes, right. With the named race. So those things are nice. They don't name oftentimes after people still alive. They name some after people still alive, but they did it in my case on a couple of them, because all of the accomplishments were these last two years.

The major accomplishments for horseracing, not too many of the racetrack people are deeply wrapped up in the equine medication. Equine medication's now coming to the forefront on a national scale. The National Thoroughbred Racing Association [NTRA], which is a new organization that is trying to save racing nationwide, one of the key factors that they think will be a good starting point for them in order to gain credibility is through medication.

Now, sometimes you bite off more than you can chew because we no sooner have this big organization and, lo and behold, the biggest state in the nation in terms of reputation for racing is Kentucky, and lo and behold,

their commission back there allows for what is called “a milkshake.” It’s something a trainer can do to his horse that clearly shouldn’t be done in the opinion of most.

SENEY: Kind of close to doping, in a way?

MADDY: Well, it’s using bicarbonate soda, and so it’s not really dope, but it does have some effect on the horse. It has the equivalent of -- not doping -- but it has the equivalent of, what they say, enhancing the performance of the horse, and that’s the thing you worry about. I personally am for giving all the medication that aides the horse in allowing them to breathe easily and do these things, and this is the part that hasn’t been solved yet. And I’m probably a little bit further out on the subject than some others, but this stuff, this bicarbonate soda, is clearly just trying to get the edge. And damned if the Kentucky Board didn’t go ahead and approve it. And then the Louisiana Board approved it. So here we are trying to clean up the image and the integrity of racing and two boards, for whatever reason, go ahead and approve the damn stuff.

SENEY: What does it do? What does bicarbonate soda do?

MADDY: I personally don’t know exactly what it does to assist the horse, but I know they put it through a tube through the horse’s stomach, down in the bottom of the stomach, and then they try to race them as soon right after that as they can.

In the horseracing game, everybody comes up with the damnedest

things. One old friend of mine, he said, "This goes back 40 years." He said, "Ken, when heroin first came along, we would take some heroin" -- I guess it comes liquid at some point -- he said, "We'd rub a little under the tongue of one of our horses." This is up in Renton, Washington, up at a little small track up there. And he said, "We thought we could win all the races that way." Well, hell. Everybody's doing it. It sort of nullifies it, and it's all illegal.

But the one area that the Governor is concerned about is the integrity of racing, and I was always concerned about it. We did not do much in California and I was able to take a percentage of the money that came out of the satellite [betting]. When we went into satellite wagering, we greatly expanded the amount of money that was generated for horseracing. I didn't allow any of that to go back into the General Fund. In fact, the General Fund has dropped from \$140 million ten years ago down to \$40 million. I not only got all the satellite money but took a hundred million dollars of General Fund money and returned it back to horseracing.

SENEY: I'm not sure I quite understand. The 140 million, some of that comes from satellite racing--

MADDY: And some from the General Fund. When satellite wagering came on, I made sure that little or no money moved to the General Fund. And then the last year, the big \$40 million move, the big gesture to get \$40 million, was I just straight took it out of the General Fund. Just reduced the

General Fund fee that normally goes for horseracing and just reduced it and gave it back to the horse[racing].

SENEY: There's another fee, in other words.

MADDY: Yes, there's more than one fee.

SENEY: And that one went into the General Fund, but you sequestered that for horseracing.

MADDY: Yes, just reduced it. It used to be 5-1/2 percent of every dollar bet went to the General Fund. Well, it's down to one cent or something now.

Anyway, that was the big move most recently. But the more subtle move was moving money that would have otherwise been bet at a satellite facility site, taking that bet at the satellite facility site. Then I involved the Equine Center on Research.

SENEY: You earmarked that for the Center?

MADDY: Earmarked it and continuously appropriated it so that it would go directly into this building out here. Actually, I didn't even direct it to the building. That was some very good move by the UC Davis folks who tied it in with the Center for Equine Health, which I'm also on, a board out there, where we, with charitable contributions, suddenly got some horsemen deeply involved in it. So we were able to put together what will be, and is right now, the most up-to-date, modern research facility for medication on horses that there is in the country. The people that come out from the East and so on look at it and just can't believe it.

Now, tied to that are several major contracts that horseracing, in general, if this NTRA survives, there are four major contracts.

If they survive, there are four major contracts they're going to award this year for various aspects of research. UC Davis is in the running on all of them. I'd like to see them get a couple, at least.

See, every horserace has a certain number of horses within the race that are tested for their blood and their urine to see if they're free of medication. I mandated that a percentage of those tests must be put through UC Davis instead of the private lab. I had a big fight over that. Little bad for a Republican directing money to go from the private sector to the public sector, but there was a method to my madness, because this guaranteed that the UC Davis Equine Center would be doing a certain amount of work because of the number of races we run here in California.

And then, of course, I would also like them, obviously, when they get open for business and ready to go that Arizona, Oregon, or other places who want to use a top-notch center would also conceivably test at UC Davis. Because almost every state does two types of test. One is a preliminary or a routine test, and then periodically they'll take a sample or two and what they do is the extensive test. And that's where this laboratory is going to be the best. This is the lab that'll be designed to dig deep into research and see if there isn't something out there. You know, everybody's got a favorite brother-in-law who's a pharmacist and they're

trying something. Everybody's looking for an edge. So what I would like to do, what was designed, is that UC Davis lab will be doing some exhaustive research, some that they choose the samples or some that they may get samples. The state of Kentucky theoretically, right now they send what they call their "special test" to Cornell. I think Cornell is one, and I think the University of Pennsylvania has a research. Well, UC Davis will, I think, clearly, when this is over, have the most current modern lab, and hopefully, we will get a lot of business from other states to do their exhaustive research and really be able to tell us.

I've got a good working relationship with the folks out at UC Davis and have been trying vigorously to get them to be practical.

SENEY: What does that mean, Senator?

MADDY: Practical means that you've got to be able to, when you do these exhaustive tests, you've got to be able to test for things that make some sense. There's a lot of ingredients and there's a lot of things that you could probably put into a horse that no one has or no one ever thought of. Not that they didn't think of it, but that wouldn't be available if you wanted it.

And that's what I tell the research people out at Davis with racehorses and stuff. I said, "You've got to do your experiments and you've got to do your scientific research occasionally on things that are current with horsemen."

Anybody who starts a two-year-old, everybody who has a young two-year-old who goes out to the racetrack, the first thing you worry about is they're going to buck their shins. You know, on a shin buck? A track man, they get this problem with your shins. In other words, your shins begin to -- I'm not sure what happens. It's a strain that comes that some human runners get and most--

SENEY: Shinsplints?

MADDY: Shinsplints, exactly. And so I said to the research people, "You've got to go after something and find a way we can avoid the shinsplints."

He said, "Well, we don't think there is."

But I said, "My point is, you've got to go into things that occasionally make some sense to the horsemen out there who are working day to day." And they do come up with a hundred different experiments and different research that are improving the life of the horse, but 99 percent of them have nothing to do with the racehorse, and racehorses are the ones that are financing all this.

SENEY: And the concerns, as you say, the horsemen have.

MADDY: And what really helped was the Center for Equine Health hired a good friend of mine, at my strong request, named Craig Ferraro, who's a practicing veterinarian who, I think, always wanted to be a teacher more than he wanted to be a practicing vet. And he's also an outstanding surgeon. He's still called in to work. And he has really broadened the

scope of what the Center for Equine Health is doing.

SENEY: He brings in this practical horseracing based experience?

MADDY: Right. Plus he's reached out to the Standardbreds, to the hunter/jumpers, to all the other horse--

SENEY: What does "Standardbred" mean?

MADDY: Well, a Standardbred has no particular lineage. There are quarter horses that are based back onto a breed that at one point in time a group of horsemen out of the West said these are what we call quarter horse and based it on a couple of real fast horses. From that point on they established the breed and all from that time on were all quarter horses.

SENEY: Does quarter horse mean a shorter race?

MADDY: Yes, shorter race.

And then, of course, there's the natural breeds: the breeds that have been here for centuries. A Standardbred meaning a horse that has no particular lineage.

So the long and short of it, I am deeply involved in the UC Davis thing, and so much of my efforts went into that and I was fortunate by getting a lot of help from my legislative colleagues who didn't really care about it.

SENEY: Well, it sounds to me you understand, from your perspective, what's important here. I mean, it's not enough to build the building. One, you've got to make sure what you've got is a predictable source of funding, and

that in the process of doing all this you build up constituencies that are going to support you in the long run.

MADDY: What I did was give them the continuous source of funding which is a continuous appropriation. In other words, a certain percentage of the money that comes from horseracing is going to go to this lab and to this fund. It would take, obviously, a change of law to prevent that. And once I got continuous appropriation -- in fact, John Vasconcellos just had a fit over it. He hated continuous appropriations. It is one more way to take discretion away from the budgeteers. In theory, in philosophy, I'm against it, but when it came to my case, I obviously avoided my philosophy.

So I got the continuous appropriation. We got it directed. We, at that point, are saying now to the University, "Make this thing work. Don't get all so stuck with your head where academicians generally stick it, where nobody can see daylight." And I said, "You've got to do things" -- with all due respect -- "You've got to do something that makes some sense." And, of course, the University of California at Davis liked it because they're on the move.

I just got a letter, they're looking for my help on another \$200 million effort out there to further expand another building that I was trying to get started, we call Vet Med 3, which is the next big building out there, and I got early budget money for it and so on. But I'm just kind of worn out now. I notice in one of the letters I got they want to have a meeting to

see what more I can do at this point in time.

But anyway, the long and short of it is--

SENEY: We don't want longs and shorts. We want the whole story.

MADDY: But I'm very proud of what we were able to do, and it is sensational for racing if racing will have enough sense to use it.

The problem is, just like I say, a commission in Louisiana or a commission in Kentucky is not too happy or too receptive to following what some California senator cocked up as being a good idea some time ago.

That's one of the problems with any industry on the international scale. And this NTRA, which is designed as being a savior for horseracing, they're doing commercials and they're trying to put together a lot of different things. They're trying to generate money that way and they're trying to generate money to keep alive and figure out a way they can be funded. It's horseracing struggle to get back into the fan game and they let themselves go for -- but that's a whole different story. I gave that speech years ago about what happened to horseracing.

Horseracing ignored television in the 1950s when we had a monopoly on gaming, and as a result of that monopoly and as a result of that arrogance, they missed out on putting horseracing on television in a way that would attract fans.

You can see that auto racing, and hockey, and you name the sport

that didn't get on television, that I can guarantee is in probably some straw poll back in the 1950s -- would have rated light years behind horseracing in terms of attractiveness -- has now gone past them and has a huge fan base in all kinds of ways. Either because people like the cars or they're attracted to the personalities.

You know, right now we have an unbelievable record that Bill Shoemaker set in terms of number of winners, and Laffit Pincay is two races away from breaking that record. You're going to see a little bit of it in the newspaper probably, if you read the sports section. But it is like somebody breaking Babe Ruth's record. It's the equivalent of masterful, major things. And again, that should be everywhere -- Laffit Pincay, although he's not charismatic and so on -- but that should be something very big.

But horseracing missed three or four generations, principally because they had gambling and nobody else did, and they knew damn well that people who wanted to gamble had to gamble on them because you couldn't gamble elsewhere. Well, two decades ago that stopped. I mean, there's more gambling on college football every weekend, for godsakes, than there is in horseracing in a month.

SENEY: Well, everybody knew who Willie Shoemaker was.

MADDY: Everybody knew who Willie Shoemaker was, yes.

SENEY: Whether you liked racing or not, you knew who he was.

- MADDY: But not too many people know Laffit Pincay.
- SENEY: I must tell you, this is the first time I've heard his name. I don't read the sports page.
- MADDY: And he's going to break his record, within two wins. He's got two wins. Probably Wednesday. He's going to try Wednesday.
- SENEY: Back for a moment again, the general point about what you tried to do, given your understanding of politics for UC Davis. It's not just giving the money but get them to be practical and make sure they stay linked to the horseracing business, because that's their constituency in the Legislature, to make sure this law doesn't get changed.
- MADDY: In theory, when times get tough or something happens, or somebody just comes in and says "from the University" -- I mean, the attack will be from the University. I get stories back about "How in the hell much are you going to try to spin off over to the vet school?" Because, I mean, I was sitting there on the Budget Committee and putting Vet Med 3 in and building the Equine Research Laboratory and doing the Center for Equine Health.

All these things I'm kicking out are a factor, and I'm sure that all the other UC campuses were kissing my rear a little bit and saying what a great guy I was, but under their breath I'm sure they're saying, "Open up and loosen up and take a little interest in the rest of us."

I had Cal Poly [California Politecnic University] San Luis [Obispo]

in my district for a long time. They were in such good shape as a school and so on that I just answered the call when it came. I didn't go out and try to do anything special. Fresno State, my own alma mater, of course, was always out there trying to figure out what I could do, and there was a certain number of things. Frankly, if it wasn't for Jimmy Costa and Rick Lehman and the folks who worked around me, I mean the other legislators who came out of that district, they carried the load for Fresno State and then I just tried to help.

Costa in particular, he's been a stalwart for all these programs we had out there. They gave me some credit for a couple of programs. That was Jimmy Costa. Hell, he's the one that worked it. I didn't work it but I was in a key spot. I was on the Budget Committee. I'm sitting there as one of the Big Five. If I threw something on the table it was going to be heard. So that's how I got all the credit, even though it was not necessarily my long term doing.

SENEY: Let me ask you a couple of things about the '94-95 budget because I want to see if you can explain these things to us.

It spent 53.7 billion.¹ "They borrowed some 7 billion in short and long term loans and rolls over nearly 4 billion in debt to Fiscal '95-96."

That rollover was sort of a gimmick in a way.

¹ California Journal, Vol. XXIV, No. 8, August 1994, p. 15.

MADDY: Yes, it was just gimmick.

SENEY: How did that work?

MADDY: I don't know specifically how we were able to roll over, the technical side of it. On almost all these instances staff in Finance would come up when we were stuck -- "We're 4 billion still out of sync, how do we do it?" -- you know, a technical guy comes up.

We paid the price for most of these things: There've been lawsuits: Either PERS [Public Employees Retirement System] sues us or whoever we roll the loan over sues us. Every device we used that was in any way tainted we lost. They've come back and sued us and got it back and we've had to pay the interest and whatever costs were involved in it.

But I think at that point in time, just giving you a broad, general memory, we didn't care. We just wanted to balance the budget and get out of town and hope like hell the next year something was going to get better. I mean, the alternative was to raise taxes and/or cut programs, and we couldn't get those votes.

SENEY: Right. After that first budget, when the big tax increase came, that burned the bridge on tax increases, didn't it?

MADDY: If that had been handled with integrity on the part of everyone, if we had sat down and said, "These are real live things we should be doing. We should be cutting the budget in these areas on a permanent basis and we should be raising these taxes on a permanent basis, and at this moment in

time we would then have a balanced budget,” that would assume that we had been thorough in our work in terms of what was waste, and what was inefficiency, and what should be eliminated. And we were thorough in terms of tax equity. That was the way we should have done it. That’s the way every budget should be done. And in theory, if we’d come back the next year and we were still out of budget because we’d gone in the tank, spent too much, there was no revenue coming in, in theory we would sit back and do exactly the same thing.

The problem was, of course, the people who believe that there was only one solution, and that was to raise taxes; that there shouldn’t be any cutting of government. And the other side believed that their government was too damned big anyway, we shouldn’t raise anymore taxes. The only way we were going to come out of this recession was to reduce taxes and get the economy going again. So you get all the different philosophies involved in terms of trying to settle the issue. But it seemed to me, once we made the decision to cut the pie in half -- in other words, half taxes -- we should have done an efficient job.

I thought we did the best we possibly could. The credit we get for doing all these things I take readily because we did a hell of a job and we did the best we could under the circumstances. And we did the best we could with the people we had to deal with. You had to get the votes. That’s what it all comes down to. That’s what people fail to recognize.

You have to get the votes, which means you have to find the allies and you have to put the group together that will ultimately reach 41 and 21, or 27 and 54. Then you're home free. However you get there, you've got to accept it because that's all you can do.

SENEY: Get those two-thirds votes.

MADDY: Get those two-thirds votes.

SENEY: There was another element in this budget. This was an anticipated \$2.8 billion from the federal government that Mr. Wilson wanted for the extra costs imposed on the state by immigration.

MADDY: Oh, yes.

SENEY: And that was put into the budget. Do you remember that one?

MADDY: I remember the issue and it was not the only time we did that. One of the things that Pete would do was where there was an assumption that the federal government owed us money, we just put it in. You know, we put it in. They owe it to us and they're going to pay it to us, so let's assume it's there. Another way to count it. We didn't have it but it balanced the budget.

SENEY: But built into this also was a trigger that allowed cuts automatically.

MADDY: The trigger issue was the device we used on both sides to make it more difficult, if you will, to come to a conclusion, because the triggers were ways that if Wilson said, "Okay, we'll get the 2.8, don't worry about that."

Then the Dems would come back and say, "All right, but if you

don't get it, then this triggers a tax increase here and a tax increase here." Conversely, if it's the Democrats coming in with some cockamamie scheme as to how they're going to get some revenue or something's going to happen.

Then our trigger is, "All right, you understand that if this does not happen, the Healthy Families is reduced by 3 percent," and such, and such, and such happens.

All the triggers were ways of putting the pressure on so that if you were going to pull, if you were going to use something as kind of a device to make things work, you'd better be accurate because we're going to test you by putting a trigger in there. And the triggers worked kind of nicely. I mean, that was a great way of forcing things to happen.

SENEY: Yes. So the side who came in with the gimmick had to accept the triggers insisted on by other side.

MADDY: If you're selling us the idea that the \$2.8 [billion] works, then you're going to have to bet heavy on it.

A lot of gambling going on, on this thing. You had to bet pretty heavily this is going to work. And it depends on how frustrated you were. How disgusted you were. How far along you were in your negotiations before you took the triggers.

SENEY: What was Wilson like to work with on these things?

MADDY: He loved it. Pete loved this whole thing. He really did. He was very

good at it. He would get mad at the appropriate time but never got real mad. He loved the day-by-day. He could stay there day in and day out, every weekend. He liked working the weekends.

Pete really was a nuts and bolts guy. Pete was really one who liked to grind it out, in contrast to Deukmejian, who did not like being there, and did not like the give and take, and who did not want to stay there on the weekends, or did not want to come in on the weekends. He wanted to get this work done between 9 and 5. Not saying that he was a 9 and 5 man, but he wanted to get it done during regular work hours and with some thought that we're not just wasting our time. And was not as revved up on the day-by-day stuff at all. I think he was briefed well by his staff and was more prepared when there was a tough decision to call the staff in and make sure they confirmed with what he was saying.

Pete would knock it out himself. I mean, he'd sit there and grind it out himself.

SENEY: He must have had a good grasp of the details.

MADDY: A good grasp of the details and a good grasp of what was going on. He was a very efficient budgeteer, as was Willie, as was David. We just all worked a little bit different, was the main thing, was how you worked. How you conveyed your message to your caucus and whether or not you were ready to come back with the votes.

SENEY: I take it you'd come in at the beginning of the process and sort of lay out

the groundwork: "We're not going to be raising taxes here," the Republicans would say to the Governor.

And the Democrats would say, "We're not going to can those programs."

MADDY: There are no cuts, right.

In theory, it got down to the point where we'd say, "The Conference Committee should meet. Get as much done as possible. We're not going to do the Big Five." That was the old cry of Pete.

So they'd go work and they'd knock out all these detailed things, all this junk, day in and day out, and they'd finally get down, "Okay, we can't go any further. This is as far as we can go." The Big Five goes in and somebody, generally the Department of Finance, would say -- because, obviously, they were the lead on the budget, the Department of Finance was -- "These are the four or five major things we've got to settle down on, on the issue."

And of course, we would come in and say, "Well, there's more than that. My god, the Democrats have just raked us. There's no way in the world we can be limited to five different things," and, of course, the Governor would be in the same boat.

He would say, "This thing is all veto material and we might as well cover some other things while we're doing it," and so then the process would start, and we literally would start over with the budget.

SENEY: Can you remember the specific subjects that they might be bringing up?

MADDY: I can't remember what they were. It was everything.

SENEY: But they would sort of lay out what they thought Finance--

MADDY: Finance would come in and would try to say after the Conference Committee that created the budget, "Here's what is left," and there's a lot left. There'd be some things, obviously there would be some things in which the Republican conferees had agreed to, and so on. They would generally be left alone. Although Wilson was not beyond digging into what the Reps wanted.

SENEY: So essentially, no matter what the Conference Committee had done, it was all open again for you guys to go through.

MADDY: Right. It was pretty close to a waste of time, the Conference Committee was.

SENEY: That must have been really frustrating.

MADDY: Well, I think they felt that way too. And I think this last time they tried to avoid that as much as possible. That's what John [Burton] told me they did, more or less avoid it, and so he didn't spend a whole hell of a lot of time with Gray Davis, trying to get the tough decisions out of the way.

It's true here that the Big Five spent more time to try to get Gray Davis in line to what the Legislature wanted. Here, the Legislature has sort of come together on a few things, but Gray was off the reservation, so how do we get him on? Kind of what they did.

SENEY: But this time they worked it out through the Conference Committees.

MADDY: I think there was some meetings, but I think by and large they did it through the Conference Committees.

SENEY: Let me shift gears a little to ask you about an appointment that's always made me wonder, and that is when Senator-then Governor Wilson is elected, there's two years left on his term. And he picks [U.S. Senator] John Seymour to replace him.

What can you tell me about that selection?

MADDY: Most of us were baffled by it because we didn't realize that John Seymour was that close to him. And, too, we didn't think that Seymour was a logical person to send back there for that heavyweight job because I think most of us believed he was not that heavyweight, he was not that good.

But aside from that -- well, what else is there to say? Because, I mean, the key was none of us knew that he was that close to Pete. How did he get that close to Pete Wilson? That was the big question. And isn't there somebody else who's a little stronger credentialed than Seymour?

In the meantime, I think when that had happened, Seymour had already participated in a doublecross. I mean, not in a doublecross, he had participated in dumping [Bill] Campbell and I for that short period of time. That was one of the early doublecrosses.

In '79, when we came in, we went out and recruited Seymour as a member of the Senate, and of course, one of the things you ask is that

you're loyal.

SENEY: Well, he was your candidate.

MADDY: We made him our candidate. And one of the things we asked was "You're loyal to Campbell and I until such time as we're out of it." But he was one of the guys who put together the little group [that defeated us]. So we didn't have any love for him, Campbell and I didn't have any love for him, from the standpoint that he might have had good reason to dump us but--

SENEY: Well, he got your job.

MADDY: Yes, he got caucus chairman.

SENEY: Right.

MADDY: We thought there might be a good reason for him to dump us but since he was the one who committed to us, he should have walked in at least and said, "There's a little cadre and I ought to be honest with you. They got to me because they've offered me caucus chairman, even though I'm a freshman." You know, he was one of the early young guys. And that's how they got to him: They offered him the caucus job. So he got to jump to leadership in a hurry.

But he has obviously been close to Wilson, because even though he flopped in Washington -- no one gave him much credit for what he did in his job as United States Senator in that race against Feinstein -- but when he came back, he got a very good job. Wilson appointed him to

something. I'm not sure what it was. I'm not sure whether he ran or what the hell it was, but whatever it is.

SENEY: Well, he had run for Republican nomination for Lieutenant Governor in 1990 and had lost to Marian Bergeson, which must have made you even more curious that he couldn't win a Republican primary.

MADDY: He was not a very good candidate. That was part of our concern. We did not realize several things: One, how Pete knew him, and even if he did know him, why he chose him, because most of us thought he was not a very good candidate.

SENEY: Did you ever come to any conclusions how or why he was so close to Wilson?

MADDY: I have no idea. To this day I don't know why, of all the people that Pete knew -- I mean, I knew pretty clearly that I was not going to be the candidate because Pete and I had been on the wrong side on too many battles, including our own battle in '78, all the way down.

Now, in all these things that Pete Wilson says and the accolades that he's thrown my way, that no one helped him more during the period of time he was Governor than I did, and he's said that over and over again. I mean, his wife has said it.

SENEY: So you believe it.

MADDY: Do I believe that no one helped him more than anybody else during his tenure as Governor? I believe that. I think I was the principal support for

Wilson because I was Leader the entire time, except at the very end. And I don't think anybody helped him any more than I did. I was loyal to him consistently and worked like hell on this budget. You know, this budget could have been altogether different if I had been different, more right wing. I mean, obviously there's a thousand things that could have happened. I held off the right wing for him a hundred times. And he has said that and has written that.

But at that time, I just think that based on politics, and knowing Pete, he was not about to give me a shot at the U.S. Senate run, just because by that time I hadn't performed quite as steadily and as quite as consistently. That was the first thing he had to do [when he became governor].

But we were trying to go down the list as to who might be closer and--

SENEY: This must have been a parlor game, I would say.

MADDY: Oh yes, we just sat around.

SENEY: "Who's he going to appoint?" Right?

MADDY: Yes. And when you get down to it, this goes back to the question again of the saga of Pete Wilson: How many close friends does he have and who are they?

SENEY: You know, I've asked others about this. No one that I would say is close to Wilson about this, so maybe there is an explanation. But I have a sort of cynical one that I'd like to offer you and get you to comment on.

And that is that Seymour was not an impressive individual, I mean either as a member of the State Senate particularly or as a candidate for Lieutenant Governor. And that appointing someone like Seymour would make sure that Wilson would be the dominant Republican political personality in the state and wouldn't need to worry about competition from a senator he might have appointed.

MADDY: I've heard the theory used in general in reference to Pete Wilson on appointments and other areas. I've heard that Pete didn't want anybody who would outshine him. And in some ways perhaps he and I did get along, and he feels good about me now -- I think -- and I feel good about him; we had a good decent relationship. You know, one of the things they say now about me is that I never tried to be too far out in front; I never tried to be in the limelight. That was one of the things. And that very well may have been something he--

SENEY: Came to appreciate?

MADDY: Came to appreciate, yes. I don't know. But I do know the theory that you've espoused, which is that he was going to make sure that there was nobody very strong around him or near him, that was not the first time I've heard it.

SENEY: Because given sort of as a practical notion, it is a hard appointment to--

MADDY: Oh, this was a gut issue appointment, United States Senator. I can't believe that we didn't have the whole United States Senate out here,

sitting around, at least a committee of three, or four, or five, principally the United States Senate, with three, or four, or five million dollars, gonna sit down and try to figure out how to win this United States Senate seat.

Di Fei [Dianne Feinstein] was nobody's fool. Tough candidate.

SENEY: Very tough.

MADDY: Tough, tough candidate.

SENEY: Always had good rapport with the press.

MADDY: Good rapport with everybody. She was good with the Republicans.

So you would think they would be out here ten deep trying to make sure we got this one, because this is a biggy, but nothing much happened. And when he got back there, shit, to my memory they didn't give him anything special to prove himself. And he was not, what you'd say, a very strong candidate.

He was smart enough. He always told me, when we came back and took over power at one point in time, you know, he called me up and told me, he said, "Knowing that whatever happened, that's past." This is when I came back over. I guess I was Leader. He was in the Senate.

He said, "But I want to work." He said, "I know you're upset and I know how you figure this thing is." He was more a real estate guy. Well, that one's over with, kind of shoved in the corner, and I was saying as far as I'm concerned it's over. And he said, "Well, just don't put me in the corner and just leave me there because," he said, "I want to work. I'd like

to be the chairman of a committee. I'd like to have these assignments. Give me as many assignments as you possibly can." Because he wasn't dumb and he did work hard. I mean, he did work hard in terms of having a lot of things to do up here. But he never impressed anybody very well. He concentrated on giving a lot of speeches on the floor and so on. He was not very good at it in the minds of some people. So I mean, he had some hurdles to overcome.

SENEY: Did you give him things to do?

MADDY: As I recall, I said, "You let me know what you want. Anything you want, you've got. I'm wide open to this thing. We're the minority party, let's do what you can. Take on any issue."

We see each other, you know, since that time. There's been no lingering thing. He's friendly. He's doing extremely well, I understand, making a lot of money in the low-cost housing field, which means that the Wilson appointees to CHFA [California Housing Finance Agency] and the things that he's been--

SENEY: CHFA is the--?

MADDY: California Housing Finance Agency. Low-cost housing deal, and he was director of that. And then he went down and is now a developer of low-cost housing that works through CHFA and has CHFA contracts and so on. So I think he's done quite well with the whole brief episode as being in politics. And once, I think, you're a United States Senator, you still

have the right to go back there and walk on the floor, I think. Hell of a deal to begin with.

SENEY: Right.

MADDY: I would have liked a little longer time, if I was back there.

And I'm not sure anybody would have beaten Di Fei, no matter who he picked, frankly.

SENEY: She's a very capable campaigner, isn't she?

MADDY: Yes, very capable campaigner and does a good job. The fact that [U.S. Senator] Barbara Boxer won [reelection] easily -- every incumbent United States Senator gets well protected. They don't vote on individual issues and bills. I mean, it's very hard to pin them down on the negative votes because when the bill is finally voted upon, it's a unanimous vote literally.

SENEY: It's on the consent calendar.

MADDY: It's on the consent calendar. You never really are going against the tide; you're voting with whatever's out there. If you got your licks in, you got it in early and so you're voting for something you want, possibly.

So, I mean, the fact that Boxer, with her philosophy, wins as easy as she does, tells you that this thing is -- I mean, the U.S. Senate still operates the way the old Senate used to operate here and the way senates operate around the country, where the incumbents, you never hear them talk about each other and there's very damn little criticism and so on.

SENEY: Nothing but compliments.

MADDY: Nothing but compliments, right.

SENEY: Well, in the case of Boxer, her first opponent, Mr. [Bruce] Hirshenson, at least could be pictured as very far to the right.

MADDY: Oh, could be. I mean, he was a disaster. Another disaster.

SENEY: When she ran against [U.S. Senate Candidate] Matt Fong, he looked much more viable, and a lot of people had written her off.

MADDY: I wrote her off. My friend Sal Russo ran the campaign, and I could not believe Matt Fong, as attractive a candidate as he was, couldn't beat Barbara Boxer. But this last campaign, I haven't analyzed it completely yet in my mind, but it is clear that the Lungren led team for whatever reason took Republicans down to an all-time low, and for whatever Matt Fong did that tied him to Lungren, and he's not anywhere close -- I mean, Matt is much more moderate and should have been an ideal candidate against Boxer -- just failed miserably.

SENEY: Well, you say they look out for one another back in Washington, and I know that Feinstein was on the Appropriations Committee, had a slot to get back on the Appropriations Committee, and she gave that to Boxer for two years, prior to the election. She's now taken it back so that Boxer could build--

MADDY: Well, think about that. That's a Republican Senate. Why the hell would the Republican Senate let her do it if they didn't have some sort of rules that were very liberal and open in terms of the ability to take care of each

other.

SENEY: Let me turn this over, Senator.

[End Tape 1, Side A]

[Begin Tape 1, Side B]

MADDY: The United States Senate is the one place that, if something magic had occurred in 1998 where I could have gotten the appointment with the United States Senate--

SENEY: Nineteen-ninety, you mean?

MADDY: Nineteen-ninety. Anytime. Anytime.

SENEY: You would have enjoyed that.

MADDY: I would have taken that. I would have enjoyed that. You know, I sort of had made up my mind, notwithstanding the fact that I have had people compliment me and say, "You'd have been a good governor," and so on and so forth, I really think that my long suit is in the Legislature. My long suit is in negotiating with my colleagues in a group atmosphere and in a combined team effort, and I think that's where I do best: working out the compromises, trying to figure out ways we can get it done.

And so the U.S. Senate would have been, I think, really something I would have enjoyed because there's only a hundred of them, and that would have been great fun. And even though the work is tremendous, I guess, in terms of time you have to spend back there and some of the junk you have to go through, if something magic had occurred, that would be

the one that I would have said that I could have taken in a heartbeat. No matter how old, no matter what was going on in life, that would have been fun to be.

SENEY: It's my impression that there is a kind of difference in personality, if you will, in terms of who is a good legislator as opposed to who might excel in the Executive branch.

I'm not suggesting that you wouldn't have been a good governor. I suspect you would have been very good. But someone who's going to be a good governor is not necessarily going to be a good legislator.

MADDY: I think that's true and I think it's pretty hard to determine who those people are. But I think you're right. I do believe there are some people who really move into the legislative process and the give and take is engaging for them; they enjoy it, they move right in, it begins to work. They see how it's done or they determine how it's done and begin to work at it. Where, in contrast, the gubernatorial and the chief executive is much different, with much more to do in respect to giving the orders and making things happen. You order them to happen and--

SENEY: Then hope they do.

MADDY: And hope they do, and then recognize one day you wake up and everybody's against you.

So I think it's a slightly different breed of cat that might do better in one or the other. Not that you couldn't do well in both, but certainly our

governors, it's hard to tell whether any of them or part of them could have been good legislators.

SENEY: If my views on this matter at all, I think it's harder to be a good legislator than a good executive. It requires much more patience and skill and the ability to work hard toward a goal and not achieve it and then come back and work hard again.

MADDY: In my conversation with Gray Davis the other day, I just was commenting. I said, you know, "You sort of got the world by the tail" -- and he wasn't confirming or denying it -- I said, "with a downhill pull. There's plenty of money right now, the economy's going good. You got to hold on." I said, "I know you know but you've got to hold on for four years, so if the next election is that you're essentially in the same boat, just remember what happened in '90-91." I mean, we went from kidding ourselves to where we're slightly in trouble, to 14 billion, and 14 billion came -- boom; woke up one night and it's over. I mean, it's 14 billion. So it can happen that quick, just overnight.

There was an acknowledgment on his part. That kind of being Governor is really a place that most of us would like because it would give you an opportunity to really accomplish something.

SENEY: And he won big.

MADDY: He won big.

The other side of the coin: deep in trouble, deep in financial trouble,

nothing to do; but try to cut or raise taxes in a financial situation where everything is going bad would be challenging and might have the same pluses, but certainly life would be much more difficult.

SENEY: Does Governor Davis seem to be enjoying the job?

MADDY: Oh, I think he's really enjoying the job. I think he's doing a good job and I think he's really enjoying it. He's very precise, yet at the same time he's got everything sort of outlined and covered to where he's having fun right along with everything else. He's, you know, trying to get a little golf in at the same time, because that's the one thing he does, is to play a little golf. And aside from that, I think he is pretty much a consummate politician in the sense that he enjoys it.

And there's enough to do. You can start this morning and never quit working every minute of the day from now on and you're not going to get it all covered. It's too much. And I think the hard part is you're sitting with this \$2.6 billion [surplus] and everybody in the country in the world is saying California doesn't give enough money to school kids. Well, what's he do? Give the 2.6 billion to them? As soon as he gave the \$2.6 billion, everybody in America would say California still has the worst schools when it comes to the number of dollars that go to each student. Give them everything else next year and that'll never end. So there's some things you've got to adjust to in your mind, the demographics in this state and the crime in this state. Those things don't change.

SENEY: I want to shift to a very different subject now. You gave me a whole volume on Carson Rapp, who we've talked about a little bit before. This was maybe one of the more embarrassing and difficult episodes for you.

MADDY: Yes. I think what we were going to do is collect the most difficult episodes, and I'm not sure that there was any in there besides Carson. There might have been one or two.

SENEY: Well, also John Bontadelli's in here, and Ed Cashin. And as I read over those materials, I couldn't make any direct connection to you.

MADDY: Eddy Cashin and John Bontadelli were two examples of where the *Bee*, the McClatchy papers, tried to nail me with something that was illegal, or improper, or personally bad, and they failed. It's probably easier to talk about them first.

SENEY: Okay.

MADDY: One is Eddy Cashin, who is very, very well respected and very well known in Fresno, and Ed Cashin I've known for probably fifty years.

SENEY: He's a developer.

MADDY: Developer. Was a close friend of a good friend of mine when I first met him. In fact, we both agree that I was modeling in a fashion show in 1952, my first year at Fresno, and Ed Cashin was in the Coast Guard with Richard Hodge, and I was working for Hodge & Sons Clothing. He and Richard came back stage at this fashion show. After they stayed there for a while and were helping us as we prepared for our modeling jobs, I think

my last walk down the walkway, in which we had to conclude with, like, seven steps at the end, I think I only touched the steps with my heels as I went down that last one. In other words, as I recall, we got pretty gassed during the process of the performance. I think that was 1952. It was after football, I know that. After that first year of football.

Anyway, I've known Eddy all those years. He's a developer. I never represented him when I was a lawyer, but Ed had worked into a very successful developing business and is very well known now as a philanthropist and gives money away and so on.

There was a point where the *Bee* had a couple of reporters -- Denny McClure, or something like that.

SENEY: Denny Walsh?

MADDY: Denny Walsh was one, and McClure was another, and there was one other. They tried to tie a whole series of people into Mr. Carson Rapp and the Mafia.

Eddy, for the work that the *Bee* did against him, sued them, and things were settled out of court. Ed never tells me any details but subtly tells me -- and is relatively close to the *Bee* right now -- tells me that he did extremely well in this settlement and the *Bee* did exactly what he wanted, was to give him a full confession that this guy was a terrible journalist and made up these stories and none of this was true.

That applied to Eddy Cashin, and I can't remember all the details of

the stories and all the rest of it, but it was the same guys. It was this guy Denny Walsh, who, my understanding, is still employed by the *Bee* here, who they have I don't think hidden out. I know that he lives here but they basically keep him because there have been so many lawsuits against the *Bee* that I think that's basically what they do is defend themselves against lawsuits that this guy Walsh has created for the *Bee*.

Now, that's my memory of it. I haven't reviewed any of that stuff.

SENEY: Let me remind you. This was actually a deposition that Mr. Walsh gave in a lawsuit having to do with a man named [Vince] Tadisco. Do I have that right?

MADDY: Vince Tadisco. Vince Tadisco was known as a crooked lawyer in town, and Vince, I think, might have gone to jail; but then again, he may not have. But Vince was a shady reputation lawyer in town.

SENEY: Right. And they had written an article on him, the *Bee* had, and he sued the *Bee*. And in the process of this deposition, Mr. Walsh names all kinds of people.

MADDY: People who were crooks.

SENEY: Right. Members of the Fresno mob, he called them. And then sort of as an afterthought, he has an "Oh, by the way, on that list also should be Ed Cashin."

MADDY: Who else did he name? Do you have the list there?

SENEY: Yes, I do have the list.

MADDY: The other people he named.

SENEY: Right. Let me see--

MADDY: This was Denny Walsh, who truly believed there was the mob.

SENEY: Well, he had been an investigative reporter in other places and had always managed to find the mob.

MADDY: Right, theoretically. Since that time he's been sued several times and proven to be wrong, but he allegedly got some Pulitzer prize at one point in his career over trying to find mob members.

SENEY: Shared a Pulitzer prize over stories when he worked for *St. Louis Post Dispatch*.

MADDY: That's it.

SENEY: Here, I can't quite read this because of the -- maybe you can know the name well enough to know what the rest of that would be.

MADDY: It says it sounds like Cappalleo, or something of that nature. It said Mr. Bates. That was, I think, a cop. Hal McKinney was a sheriff. Eckmalia, I don't know him. Ms. [Nancy] Jones, I think she was supposed to be a whore. Tony Simone was a guy that owned--

SENEY: This is Nancy Jones, it says.

MADDY: Oh, Nancy. Gee, I don't know. Nancy Jones, I think, ran the bar where there was supposed to be a bookmaking operation. Tony Simone had a plane operation and he and his son, I think, were ultimately convicted of bringing in marijuana, you know, selling drugs.

That should be Paul Moseshian. Paul Moseshian was another lawyer who was looked upon as being on the edge in town. I don't think he was ever convicted. Arthur Wyatt, I don't know who that was. Tommy McCracken. I. D. Foreman is another one. Richard Chartran, another guy who was just well known in town. Carlisle Reed, I don't remember. Bruce Wilkins, I don't know who that is. Bobby Monopoly, I don't know, and Julius Monopoly. I don't know who those guys were. I named Mr. McKinney. That was the sheriff. Hal McKinney. He went after him too. I think he got an apology.

Mel Wilmuth. He said, "Would it include a previous law enforcement?" Yes, he had Mel Wilmuth. He had the previous sheriff who had been there for thirty years. He was Mafia too. Al DiCicco. He named every Italian practically in town. Hank Morton. Would you include Hank? Everybody included Hank Morton. I've had all kinds of photographs of Hank Morton and I. But Hank was the police chief. Haeg Zachary, Rick Zachary, I don't know those guys.

SENEY: Tommy Hill?

MADDY: Tommy Hill. I don't know Tommy. Oh, it would include Carson Rapp, it would include A. Schapp, and it would include J. B. Morrison. Bill Smith, former district attorney. It would include Bill Smith, former D.A. Bill Smith was a friend of mine, worked his way through law school.

You know, the guy was nuts.

Rocco Bruce. I don't know who Rocco Bruce was. Mob lawyer.

This brings back a little memory as to how Cashin went after them. I think what Eddy did that no one else did, he said the hell with it, I'm going to sue them, and I'm going to stay with it if it breaks me, and he at least had some money to where he got off the ground and went after him. I don't know what he's got over him, but I know this: I think there's a little notice in here of the big event center now in Fresno that Eddy is chairman of, the thing that I donated some money to, that I think he just said McClatchy is giving over a hundred thousand dollars; that he just got them to give a hundred thousand dollars.

I'm not sure what all took place, but I know that Ed went after the *Bee*, and I've forgotten under what circumstances. I know that it was all Denny Walsh.

SENEY: Well, as a result of Cashin's name being included in this article, this deposition was then used as the basis for an article about Cashin and others, and the *Bee* alleged that under the law they were accurately reporting a legal document and you couldn't be sued for that, and he [Cashin] said, "No, no, no. This was a put-up job. Mr. Walsh included this in here so you could write the article against me and then claim immunity for it," and as you say, he settled it, and I guess probably they kept it private, so he couldn't tell you how much.

But your feeling was he did all right on that?

MADDY: My feeling is that Ed did quite well. There was some rumor, and I haven't asked Ed directly, that whatever Ed financially got out of it he gave it back to charity in some fashion. Stanford comes into my mind. I think he got something for Stanford out of the deal.

SENEY: Stanford University?

MADDY: Stanford University. The next time I see Ed I may casually ask because I haven't asked in all these years. Occasionally he'll smile about the fact that we have -- in fact, we had lunch the other day because he flew up, and he's deeply involved in this Memorial Hospital that I'm working on, trying to get the money for it, and there's some roadblock right now -- and that's when he said something about the *Fresno Bee* was going to give a substantial amount of money, over a hundred thousand, to charity. Ed just smiled and winked at me and said, "You know why." The connection between the two of us every time we mention the *Bee* and what they might do for us in a charitable way is based on this long-time history.

SENEY: How were they trying to link you to this? Do you recall?

MADDY: Well, yes. Carson Rapp. We haven't gotten to the Rapp story yet because that's the connection. That is the whole connection with me.

SENEY: Because he's mentioned obviously in this.

MADDY: Yes, you see all the stories written. I think there was more column inches written in the *Bee* on Carson Rapp and Ken Maddy than there was on -- that's what I always said -- than there was on Chappaquiddick. I mean,

they felt that it was that important, because they ran the article over, and over, and over, and over again. It was unbelievable. They ran that article about every time they had an opportunity to run it.

You know, it was designed, without any doubt, to kill me politically and/or any other way, and I knew they were wrong. But I had very little to say or do about it.

The strength of the newspaper is so powerful. That probably was the most frightening episode in my career as to learning just how powerful a paper could be and how they could do things that they know were, or at least in every respect should have known that it was improper. It was the most frightening, and there's a lot of things that took place emotionally and otherwise with me with that whole Carson story.

SENEY: How do you mean emotionally?

MADDY: Because I knew that it was absolutely untrue and that they were lying, and that I had no way of defending myself or of telling the world, or of fighting back, that the newspaper was just too powerful, that there was nothing I could do. Number one, it's scary to me personally to think that any person or anybody or any organization is that strong over "the rest of us." Quote meaning: the rest of us, the rest of us in this country. And yet, that's true. I mean, there is no doubt that there are powerful people who, if they want to get you, can get you. And even though I was a very powerful person myself, that's scary.

It scares me about the FBI. It scares me about the FPPC [Fair Political Practices Commission]. It scares me about newspapers. It scares me about district attorneys. It scares me about a lot of things in society. Not enough to where I've decided to go on some crusade or try to change the world, which, for a while, when this thing sort of settled down, I was going to try to make some effort to do that. But maybe my intellect or my thought process was that if they're that powerful, why go after them? You can't get them. I mean, what you've proven to yourself is you can't get them. They are too powerful.

SENEY: Well, the old saying is you don't pick fights with people who buy ink by the barrel.

MADDY: That's exactly right. And the question is: What do you do with people who do it purposefully? I met with a couple of the managing people up here. Not their editorial board; their managers, their bosses, one of the [C.K.] McClatchys. The McClatchy I think who is now deceased up here.

SENEY: C. K.?

MADDY: Well, C. K., yes, was there, and the guys who were running it. There's another McClatchy.

SENEY: James [McClatchy]?

MADDY: Well, there was one who liked me a great deal because I had been involved in the Philharmonic Board, and he was a little bit more, I think, artistic and so on.

I met with him. I met with him up here. I took John Smock, who's a lawyer here in town who was the lobbyist and lawyer for the [California State] Bar. I just wanted somebody in the room. It was hard for them to believe, but I said, "I have every tax document, every bank account, every canceled check since 1957." I was a packrat. It wasn't long after this episode that I got rid of everything because I figured they could use that against me as well as they could use it for me. And I said, "I can show you that if I was a member of the Mafia it was not money-oriented. That there's absolutely nothing I have anywhere, anyplace that you can find that doesn't indicate I'm dead broke; I was a young lawyer who ran for office and survived in office by luckily selling his homes as they appreciated in value and made a buck here or there and had a wife who was sacrificing and lived through it, and I got to a certain point to where we finally made enough money as legislators to live, and that's where I'm at now. I don't own anything that you can speak of," so on and so forth.

At some point at the end of this thing, they said, "It's over. There's nothing more that's going to be written. There's nothing more going to be said about you and Carson Rapp."

SENEY: Was that the end of it?

MADDY: That's the last they wrote. I don't think they've even written it in one of those tenth paragraph deals.

SENEY: Summary things of your career.

MADDY: Yes, where they always put the “smoked marijuana” as part of my episode and career. Haven’t done it. Haven’t done the other in any place. They just dropped it. That was good for me -- they just dropped it.

But the Rapp story. Carson Rapp [is] still around, lives down south. I talk to him periodically. He calls me.

Carson and I went to college together about the same time. Carson was involved in the Young Republicans. Carson’s a huge, very fat guy.

SENEY: Three hundred pounds, they say.

MADDY: Easy -- three hundred pounds. Sometimes much worse.

When we were all at college, he was a good friend of a friend of mine by the name of Pat Smith. They were both older than I was, and Pat and I were close friends; lived together. Pat was a vet. We were all going to go to law school. Never really did anything with Carson. Carson was not obviously my type. All during that time I was either going steady or dating a lot. Pat was trying to work his way through school, so Pat was around. I think he always had somebody to date, so we only saw Carson on the rare occasions when something was happening where we’d get together for a few drinks. Carson drank quite a bit.

The one area in which Carson and I had some common line was horseracing. He loved horseracing. He loved to gamble on horseracing.

Anyway, [he was] in and out of our lives. Nothing much happened,

where we hadn't even seen each other or talked to each other. The next time I get back to where I see him or even talk to him, he is working for the district attorney's office in Madera [County]. He'd gone through law school.

No, I've got to back it up because the guts of the story is backed up.

I don't see him or talk to him or anything for a long time. In 1960, I'm sitting in Oxnard Air Force Base ready to be moved out of the Air Force, and I wanted to stay. And Carson Rapp, for whatever reason, in the presence of -- I don't know who this is.

SENEY: Gil Creese. Was that the probation officer?

MADDY: Gil Creese, yes, was the guy in Madera. This was afterwards.

SENEY: Were these the notes you took to the--

MADDY: These are my notes.

SENEY: That you took to the meeting with the *Bee* people? Do you think?

MADDY: Could very well have been. "Knew mutual friends. Madera D.A. I was practicing attorney. Saw occasionally. In the 1960 census, I forgot, but mentioned problems in Madera."

Where I had a tie with Carson was 1960, I'm sitting in Oxnard Air Force Base. I'm accepted at UCLA. Law school started in September. I've got no job and I'm trying to figure out what I'm going to do. I get a phone call. I can remember distinctly sitting on the floor, and it's Pat Smith, and he said, "We hear you need a job."

And I said, "I need a job." I'm sitting there, I was crying, and my wife was there and we didn't know what to do. I had probably an hour to decide to walk over to Major Eisner, who was my commander, who was a great guy, who would have done anything for me. They had offered me a full regular commission. They wanted me to stay in the military, and I'd gone to General Spicer to get an extension and General Spicer said he couldn't do it. He was the head of ADC.

SENEY: The Air Defense Command.

MADDY: Air Defense Command. And General Spicer had -- I've got a letter from him someplace in the mix -- said he just couldn't do it. He couldn't get me extended. Because my normal day of separation was going to be in August. Bingo, I was going to leave, go right into law school, and I wouldn't have had the problem of trying to find a job in between and/or use the money I'd saved from the military. See, I'd saved enough money in the military from leave in order to go to law school that first year. I was going to do it without any help. That was my big thing: I've got twenty-five hundred saved. I can get through law school, I can get a job, and I'll go through law school that way. You know, the big brave soldier. I was a little naïve -- more than a little naïve.

SENEY: Well, part of this goes back to what I think I asked you about a long time ago, and that is you didn't really want to depend upon your father-in-law for these kind of things.

MADDY: Right, those things. And my mother had no ability [to help]. She had remarried and my stepfather had gotten sick almost after they got married. He had Alzheimer's almost like that, so that was a difficulty. And so I was determined I could get through this thing.

There was a part of me that loved the Air Force, loved the military. And General Spicer, he kind of hinted, "There is some advantages. You go regular, I think you could get assigned over here with me." You know, all you've got to do when you get regular is tie yourself to a star, and Spicer was a hell of a star. I don't know how long he lasted but he did pretty good for a while. He got up there.

Anyway, I'm trying to figure out what to do and Smitty calls -- Pat Smith calls -- and he said, "Can you be in Kansas City on Friday, at 2:00?" They were drinking.

And I said, "What is it?" And he said, "United States Census." He said, "Rapp's here."

And he said, "All that stuff we laughed at him about being in the Republican Party?" He said, "It finally paid off. The Republican Party's going to run the 1960 census," and he said, "We're all going back to Kansas City. Rapp and I are going back to Kansas City. We've got these jobs." He said, "This thing's going to pay you a thousand a month," or whatever it was.

SENEY: It was a lot of money in those days.

MADDY: A lot of money. I know it was close to a thousand a month, and it was a lot of money.

He said, "Figure it's a done deal. You've got it." And he said, "Take my word for it."

So bingo, I go see Eisner. I tell Bev, we load up the car. We had already moved our stuff -- or at least we ordered our stuff moved. I mean, I was going to have to call it back. Major Eisner was definitely a guy who had been screwed by the Air Force so he wished me well, and bingo, I'm on the road.

Well, I get up to Fresno, to the house, to the home, my in-laws' home, and it's Pat on the phone. He said, "Change it. Friday in San Francisco. We're going to work out of San Francisco for now," and he said, "And you've got a different job. You're not going to Kansas City, you're going to go to L.A. You're going to be a dog in L.A. and," he said, "we're going to be down in L.A. in the headquarters and you're going to be running L.A." He said, "The only thing is, it's the toughest assignment outside of downtown New York. We told them that you could handle anything."

This is the way they talked. You know, they're laughing like hell.

Well, I have no job, so bingo, I'm up in San Francisco with him on Friday. I think we did train for a day or two in San Francisco. I'm not sure whether we shifted back down to L.A. and trained, or not. We might

have, but I'm not sure.

SENEY: Well, you got at least a day or two of training.

MADDY: That's basically all it was, day or two training. And I was supposed to hire 787 people to do the accounting. They were going to be the enumerators and we were going to count the census. I had 57 women who worked in my office -- that was 57 women, all women, worked in my office. They were all people who had some connection with Republicans who got these jobs. You know, they were fighting over whose desk was going to get -- and they threw me into this hodgepodge. But I get the job.

Well, in my mind, that move, that was one major important factor in my life. I consider it being one of the most important things that ever happened in my life, and Carson Rapp had made that happen.

Of course, we got all through that and the next encounter is that Carson is in the DA's office in Madera and I'm now back practicing law. I'm in Fresno working for my father-in-law. Had gotten through law school. I don't know how many years had transpired.

SENEY: Did Rapp go to UCLA, by the way?

MADDY: Rapp and Smith were both at Hastings, and I think Rapp got kicked out or flunked out and finally got at BYU [Brigham Young University]. He was smart as a whip but he did the wildest things.

I'm in Fresno, working for my father-in-law, and from the very first year that I went to work in 1963, when I took anytime off, I would take a

weekend and I would get the kids and we'd go down to Del Mar and we'd spend it in Del Mar. Generally took my mother with me. I think by that time Roy [Thomas] was either in the hospital or was--

SENEY: This would be your stepfather.

MADDY: My stepfather. Was not on the scene, because I don't think I ever took Roy down there.

But in any event, Carson would give me a call: "Who do you like? Do you like anything down there?" And I said, "Well, Mel Stute" -- he knew Mel -- "Mel Stute's got a horse."

"I'm wiring you two hundred. Bet two hundred to win on it."

I said, "You want to take a look at the form?"

He said, "I don't care. Bet it, bet it."

So the next time I spoke to Smitty or anybody -- Pat Smith -- it was clear that Carson was having trouble with his gambling, otherwise he wouldn't be making such. But he'd always been crazy. Let me say, Carson has always been crazy. Always crazy with drinking, always crazy with women because he was so literally unattractive to them, you know, that he was always falling in love with some dog or somebody there. But he was such a funny guy and was, as I say, good hearted when it came to doing things.

Carson gets arrested and sentenced for taking money out of -- he goes from the district attorney's office to private practice. Gets arrested

for stealing \$20,000 out of an account, a trust account. What happens, they got a hold of him in Vegas and pretty soon, when they're flying the airplane down, and they flew him down and pick him up and take him up north and get him a girl. You know, it wasn't long wherever he could get money he was getting money and spending it, I guess. That was sort of the thrust of the story.

When push came to shove at that time, and I think it was before I wrote the letter. When he was sentenced and convicted--

SENEY: It was 1968, I think, when you wrote that letter to the judge.

MADDY: Well, I think there's a reference to an earlier letter that I wrote requesting probation for him.

SENEY: Right, right.

MADDY: That was '68.

SENEY: That was '68.

MADDY: Okay. I knew it was before I got elected.

So I'm a practicing attorney. I write a letter to the friends saying basically the man has a gambling habit, I don't think he ought to go to prison.

SENEY: This is to Judge [Leonard] Myers.

MADDY: Yes. Leonard Myers. Lived two doors from me actually. Ultimately, when all of this took place, I moved two doors down from Leonard Myers, who was one of the most respected judges in town. In a town that was not

very Jewish, he was Jewish. He was extremely well known and still is. I think he's still alive. Very reputable guy.

Anyway, I write the letter suggesting probation.

SENEY: Among others.

MADDY: Oh, large group of them.

I'm not sure he got probation. Ultimately--

SENEY: He did get probation with the requirement that he pay the \$15,000 back in restitution, which he didn't do.

MADDY: Which he didn't do. Which, if you study it, he had to pay taxes and interest. There was no way he could ever make enough money to pay it back. That was one of the kind of silly things. I looked at it. There was no practical way a guy -- because you couldn't get your license to practice law. Therefore, you had to do something else. You had to pay your taxes and your interest first.

Anyway, it was very interesting to see the dilemma that he was in, in terms of trying to get his ticket back. And that was what I kept saying: "Look, all I want to do is see that he gets his license [to practice law] back. Perhaps he has straightened out."

I don't see much of him or hear from him or anything else from the time that I write the letter in '68. In fact, I don't see, hear, or anything of him. I understand he goes to work for the Model Cities Program in Fresno. The Model Cities Program was a charitable program, part of what

I was involved in when I was on the War on Poverty. And he goes to work for Model Cities.

SENEY: But you didn't have anything to do with him getting that job.

MADDY: Nothing. Knew nothing about that job.

Model Cities collapses. I can't think who was the head of Model Cities, but it was, I think, one of the guys who was part of the group of young black activists who were involved in various activities in Fresno who called and told me that Carson really needed help, needed a job.

I was chairman of the Welfare Committee, I hired him as a staffer. I kept him as a staffer, and went from the Welfare Committee over to the Criminal Justice Committee and I kept him on as a staffer there.

A woman by the name of [Ellen] Delia was killed out here in the boondocks, and Delia was the wife of somebody who was involved with Richard Alatorre. In her contents, after they found her, was a card that was my name on it, that was a business card of Carson Rapp, who was a consultant to Ken Maddy.

And so the question comes up and Carson is questioned, and so on and so forth. And of course, then the background, which was not publicized here or anywhere else. Behind the scenes they were questioning him and trying to find out what he was doing, and he was doing some work on the side, without my knowledge, representing this charitable group--

SENEY: Named Get Going.

MADDY: Whatever the name of the group was.

SENEY: This was headed by Michael Delia.

MADDY: Yes. Who was a friend of Richard Alatorre's.

The long and short of it is, that he was doing some work for him. He made some appearance in front of a city council board or something.

SENEY: Zoning Board, right.

MADDY: Long and short of it is that he is not involved in the crime or anything else, but what does emerge in some fashion, and I don't know how it emerges, but Danny Walsh and two other reporters were assigned--

SENEY: McClung, actually.

MADDY: Yes, McClung is still around.

SENEY: James McClung.

MADDY: Yes, Jim McClung, who's not a bad guy, who had not been a bad guy, as far as I knew, who was not crazy like Walsh, but was assigned.

The long and short of it is, suddenly the story comes out and they publish all this stuff.

SENEY: Now, did you say here -- I'm not sure, I was looking at this -- that you did write a letter on behalf of Get Going at the urging of Carson Rapp.

MADDY: I think I probably did.

SENEY: Yes, to the Zoning Board. They were having trouble getting a variance to keep their drug program there, and that was where I think you got in more

trouble than anything else, along with keeping him on. But you had written this letter--

MADDY: That he and Delia prepared for me.

SENEY: Right.

MADDY: And I think I was with Alan Cranston. I forget--

SENEY: [U.S. Senator] John [V.] Tunney, [U.S. Congressman Edward] Ed [R.] Roybal, a Democratic member of the U.S. House of Representatives.

MADDY: There was no small group of people who wrote on it.

SENEY: No, absolutely not.

MADDY: So it was not the significance of a lone letter, it was the fact that it was clear what Carson had got me to do, was to add to their strength. And what, of course, he was doing that was improper was that he was working on the side without my permission.

SENEY: Or knowledge.

MADDY: Or knowledge. More important, getting paid for it. It's easy to give this stuff free. There's no difficulty in us helping or a staff person to be helping somebody who is doing something noble but not getting paid for it, and he was getting paid for it.

Well, when the story hits, then I basically am up front, honest, and straightforward. I mean, I tell them everything that I can possibly tell them, to McClung and so on . And of course, when they write the story, there is just nothing about any denials or anything else. I mean, it is a full

blast, and ultimately, of course, then it comes out that this is all part of Mafia.

SENEY: The Mexican Mafia, in this case.

MADDY: The Mexican Mafia, this part, and that I am part of the Mafia that exists and has been existing in town. And then it was just a number of times they're going to write the story. I mean, it just kept rolling, and just kept rolling, and just kept rolling.

It was a miracle in one sense, that there was a point in time when one Saturday morning, I remember getting up, and Carson had called and he said something to the effect that "I've got some news." By this time I had let him go, fired him, so on and so forth, but I was still talking to him and still seeing whether or not this thing could resolve and get them to quit writing the articles. But this time I'm getting ready for Governor and all that. There was one Saturday morning, and I think it was probably the savior, because we sat down and Carson said something about [Columbia Broadcasting News Program] *60 Minutes* is coming in and this will help "if you can come in and give our side of the story on *60 Minutes*."

I sat there and it dawned on me that this is over. I mean, this is crazy. I have gone too far and this was just death.

I called Carson back and I said, "If *60 Minutes* is there, I'm not going to talk to them. In fact, I'm not going to see them and I am not in any way going to interview about you anymore or speak, Carson, about

you anymore.” I said, “Pal, whatever it is, we’re death for each other and I just don’t want any more to do with you. I don’t want you to call me anymore, I don’t want to see you anymore.” I just went, “This is over,” and that Saturday morning was a huge relief for me.

What it was, there had been a little blurb that *60 Minutes* was coming to Madera, and it just kind of all came together and just shut me down, and I said, “The idea of being loyal to Carson was past.” I had been loyal enough, I had done all I could possibly do; that it was crazy for me to continue to try to defend myself. That there was no defending, I just had to get away and just drop out of it. Eventually, eventually -- I mean, it didn’t stop the *Bee*. When I ran for State Senate against John Thurman, it did not stop them from reprinting the article and handing it out at all the precincts, at all the voting booths.

SENEY: Thurman’s people.

MADDY: Thurman’s people. My understanding it was Thurman’s people handed out that article, but it was so outlandish. Well, I don’t know if it was so outlandish, but it didn’t affect anybody. That was when Thurman and I were, what, 700 votes apart to finish the whole damn campaign, but it obviously didn’t do enough to defeat me. In one of the races, one time they published it in Modesto when it was very, very close to the conclusion of one campaign I know that was there.

So that issue was a real, as I said, ball breaker, and eventually, as I

said, I got Smock and we went up. And I can't remember who the two guys are, the McClatchy guy who just retired -- the editor with the bald head and then one of the McClatchys. They finally left me alone.

SENEY: Let me see if I can find that other name, because you're talking about the managing editor.

MADDY: Yes, I'm talking about one of the top guys. He was very well known, bald-headed guy.

SENEY: Who then went to work for the *Examiner* in San Francisco.

MADDY: You're right. Exactly.

SENEY: I'm trying to find now--

MADDY: Max something.

SENEY: Yes. That may have been the McClure that--

MADDY: No. Maybe so, but this is Max something or other. I think this is an Irish name too.

SENEY: There were a number of articles that were written in the *Los Angeles Times* critical of the writing of McClure and others.

MADDY: McClure, I think, literally has been denounced. I think that they just don't use him anymore. I've seen his name appear once or twice.

One of the ironies is that my mother is living out at this senior place-

SENEY: Frank McCulloch.

MADDY: That's it. Frank McCulloch. Whatever his title was at the *Bee*, Frank McCulloch was there.

SENEY: Executive Editor.

MADDY: Denny Walsh's mother lived out there in the same building where my mother did, and on one occasion, I told my mom -- she doesn't like me to say any swearing -- I said, "Do you see that big, fat bastard over there?" She knew who Denny Walsh was. I said, "That's Denny Walsh." She said, "I can't believe that's his mother. She appears to be a nice woman." I said, "I'm sure she is." I said, "She threw a bad one."

SENEY: Well, let me say this story was written to sound very bad indeed about Rapp and Michael Delia, who turns out to be a first-class hoodlum, who kills his wife. He was the one who murdered this woman.

MADDY: Correct.

SENEY: Plus two others to keep his Get Going going, which turned out to be a front for the Mexican Mafia. And you weren't the only one, as we said, who supported this. Tunney was in on it, Roybal--

MADDY: Every major Democrat was on it.

SENEY: Right. And Richard Alatorre and Art Torres, who were both in the Assembly at the time. They were big supporters as well.

Apparently, you met Delia once. Do you remember that?

MADDY: No.

SENEY: Well, apparently Carson Rapp brought him to your office briefly, and I guess he could be quite persuasive.

MADDY: You know, candidly, it wouldn't have made any difference or not whether

he was persuasive. Number one, Richard Alatorre and I were good friends, and Richard was chairman of the GO Committee in the Assembly at the time. Richard was a friend and helpful to me more often than not. And here's Carson giving me this stuff about being -- my point is, I'm sure I would have signed it. I think I told those guys at the *Bee*, "I would have signed that anyway." Of course, Walsh pressed me crazily on the idea of why I would sign a letter of recommendation back in 1968, so I went in in detail. I explained this whole thing. I said, "This was a friend."

And he said, "You wouldn't have signed. I mean, this whole idea of being sick."

I said, "Well, frankly, I've been around gambling people all my life and I will tell you there are people that are sick. There are people who can't resist picking up the phone and calling and sending down \$200 whenever they had it." So I said, "None of that was unusual to me."

Where I was betrayed, if you will, was the fact that Carson was doing some things for money which I should not have tolerated. And of course, then I moved him over to the Criminal Justice Committee and that gave me more of a problem because that took it out of Welfare where he probably had a little allegiance into Criminal Justice. My only excuse for there, and I use it, I said, "Frankly, doesn't the *Bee* believe in rehabilitation, giving somebody a chance?" I said, "What better chance could you give somebody than to give them a job in the State Capitol,

trying to help other people who were oriented towards crime?"

SENEY: Well, you know, you also wrote a letter for him as late as March 2, 1978, to Guy Stanley, Executive Director of the California Civic Action League, recommending him for a job, which he got. But more information came out about him. Then it turned out he was an informant for the FBI on gambling in Fresno, and this was obviously not something you knew anything about.

MADDY: Never has ever admitted it to me that was true. We still talk. I still hear from him occasionally, bump into him occasionally. I've asked him and he's never, ever admitted that he in fact was an informant for the FBI. Because he should have been blown to bits years ago if that was true, because there was allegedly a bookmaking operation in Fresno that he'd busted, these brothers, who are not known as being easy guys, except things like that from happening. He allegedly was the one who turned the evidence over on the mayor of Firebaugh, who sent that man to prison. What else did he do? There were several major busts in and around the Central Valley area in which Carson was the informant, supposedly.

It's hard to believe that all of that is true, but at the same time I have no way of knowing that it wasn't true. It's hard to believe that he's still alive based on that he's not hiding out. I mean, he still uses the name Carson Rapp and still goes to the races everyday. He's still down in Los Alamitos. He's got a table down there. If I want to see him, I go down

and see him.

Well, I brought him up. I'm not going to let them beat me down totally. When I had my big reunion, I invited whoever worked for me, including Carson, so Carson came up. Guys love it. They love the idea that here he is, sitting there with his "Maddy Staff" T-shirt on.

But I mean, there's a lot of things he did that were betrayals to me. I don't know if he knows it. I've had obviously some very, very strong letters of sympathy and comment from him since I've been ill. He's written me more than once. He wrote me one large one about his feelings about my illness and so on. Never tied it directly to feeling that he had betrayed me. He never has admitted that. Never has confronted that issue. Which probably psychologically is explainable but not to me. I don't understand it.

But that was the story. I really never knew when they were going to quit on me, when the *Bee* was going to quit. But it soured me in a way that I think is too bad; yet soured me in a way that I would warn people that I feel strong enough that -- it's not a flaw in this government -- there's no way to deal with this issue. There's no way to take the very powerful if they want to use their wealth and their power in a way that is destructive that they can't destroy people. The smaller and the less important, the easier it would be to destroy people.

But it is, to me, still scary. You know, I say the FBI. I think parts of

the FBI investigation on the Capitol was excessive use of power. I think they convicted a couple of people that should never have been convicted, and they did it in a fashion, in a way, that was probably unconstitutional. If not unconstitutional, certainly an abuse of power. And those things scare me a little bit. I'm not so sure the kind of cynicism I have everybody shouldn't share, then you'd watch out a little bit closer.

SENEY: Let me change this, Senator.

[End Tape 1, Side B]

[Session 18, December 6, 1999]

[Begin Tape 1, Side A]

SENEY: Senator, I just showed you a letter from your file that was, I think, written by a former city manager. I can't be sure because it's anonymous, but clearly it's somebody important discussing the way in which local politics seemed to work in Fresno. He's alleging city council members attempting to influence zoning decisions.

What do you know about that, from your perspective?

MADDY: No direct knowledge. Everything that I know about it is either exposés in the *Fresno Bee* through the years. The names are familiar names that go back to when I first came into Fresno and after I got out of law school.

You talk about Eddy Heisenrader. He'd been a police sergeant or captain, or something, whatever it was, for as many years back as you could possibly go and always accused of being corrupt.

SENEY: Tolerating gambling, I guess, was the major corruption there.

MADDY: During the early days, one of those, I can't think of the magazine now -- it was one of those magazines that write exposés around California, and they did one on Fresno, the "Sin City," and took photographs of West Fresno, which was the west side of town, and using photographs that had to be 15 years old in some cases. And then the one or two restaurants in town --

this Nancy's, it was alleged was the bookmaking place -- and took shots of judges. I mean, our most reputable judges who were seen going in and out of the door at Nancy's. Well, it was simple: Nancy's was the best restaurant in town. I don't know how many people either had heard of or thought that Nancy's was also a place where you could make a bet, but it was that kind of silliness that went on.

Now, in part, when I use the word "silliness," it was probably a reflection of the way Fresno looked at these things, this "Sin City." Most people beyond lower middle class didn't go to the west side. I mean, whether you like it or not, the low income, black areas of town are not frequented by other folks. And so I think most Fresnoans looked at that and it didn't mean anything to them, and so it was mostly discarded.

The fact that a police chief who had retired for some years, Heisenrader, and then they kept talking about Hank Morton, who would have been our old police chief. You know, I can remember going back to New York with Hank Morton when I first came to the town and started to volunteer for some civic services and I was on some little group. I was part of a contingent that went back to New York to visit the mayor at that time who I thought was so impressive -- a great, big, good looking guy. I can't remember his name right offhand.

SENEY: Lindsey?

MADDY: Yes.

SENEY: John [V.] Lindsey?

MADDY: Yes, one of my heroes from the standpoint of what a politician should look like and sound like, and that was John Lindsey. And I was back there with Hank. In fact, I took a couple of trips with Hank, up to Alcatraz and around. Now, Hank Morton was supposed to be as crooked as he could still be, and he's still the police chief.

In any event, there has been a lot written about Fresno being corrupt. I know for a fact that, you know, obviously now, because there's been so many indictments, for a long time there were no arrests, there were no indictments. There was nothing that took place where law enforcement was successful, either the FBI or anyone else -- the federal authorities. Everybody alleged that they were everywhere, that the FBI was here, and so on, but just no one ever got busted, until recently, and now there's been some busts.

The FBI group have come in and what they got was one or two brokers of various things. Mostly guys looking for the right zoning. You know, had paid off a bunch of the Clovis and Fresno councilmen to one degree or another, and that sort of justified all of the material that had been written by the *Bee* through the years.

I personally never, ever was confronted or approached by anybody on any issues that were local issues, local government issues, in which somebody offered me either in a campaign contribution. I quit having

fundraisers in Fresno and/or my district in the latter years, so I very rarely received any money from local folks. So I don't know if I ever got any money from any of these people.

SENEY: You said it was your practice not to look and see where the money came from.

MADDY: Right. I never paid much attention. Occasionally I would go down and go down through the list because my staff would say, "You've got to get involved in this thing. You've got to take a look and see who contributed to you. If for no other reason, you're doing all these things for these folks in one way or another, and at least you ought to know whether they're supportive of you in some fashion."

I don't want to say that I never looked. It was never a factor for me. It was never something that I worried about, and it wasn't something that I sat down and analyzed because it was not my practice to make any phone calls. I didn't call anybody to say "Hey, you haven't pumped in this year, this month." It just wasn't something that I did.

SENEY: There's an article in the, again, this volume you gave me, about Pete Bontadelli -- or John, I'm sorry.

MADDY: Yes, John Bontadelli. Pete Bontadelli is a former staff member of mine. That was funny, the same name.

SENEY: That's right.

MADDY: He was director of Fish and Game for a while.

SENEY: That's right. That was the name that rings a bell.

This is John Bontadelli.

MADDY: Right.

SENEY: And you told me when we were talking off the tape that you did know him, that he was around.

MADDY: Oh yes.

SENEY: Talk about him a little bit.

MADDY: Well, John Bontadelli, going back to 1970 -- well actually, back to 1963 when I first came to town -- was one of the leading developers in town. In that day there were not too many, what you'd call, big developers. There were two, or three, or four. Fresno was in the boom in the sense that there was a lot of homebuilding, moderate-to-low-income homebuilding. Fresno's population was moderate to low income. There were not a great number of rich people.

The farmers, if you will, on the west side, you could count all the farmers on the west side probably on the fingers of two hands. I mean, there were probably ten major players and they owned it all. Russell Giffin owned 64,000 acres of land. John Harris' farm, 40,000 acres of land. The Diener's farm, 40,000 acres of land. I'm guessing but the numbers aren't far off. So when you get down and say who's really big, well, you get the Giffins, and the Dieners, and the Harrises, and four or five others, so you got maybe ten people.

And then you go on the east side, there isn't much wealth over there because eastside farmers are guys who have 30 acres of oranges. I'm guessing. The number's probably not accurate, but what I'm trying to hit on was the number of acres that would allow a family to survive. It didn't take much and so there were a lot of small people over there.

In terms of big business, we didn't have any, quote, "big business" in town. There wasn't any big business. There was no Packard Bell, there was no major developer. Gottschalks was owned by Joe Levy.

In fact, I was down the other day with the Governor, his Economic Summit, and who was there at our table was Joe Levy. Joe Levy of Gottschalks is still around and still an important person in town. Joe's a little older than I am. His wife, Sharon [Levy], has been on the board of supervisors as long as I've been in the Assembly. Been there all those years. Never accused of any corruptness or anything of that nature.

I guess what I'm saying is, that Fresno had a few developers who did moderate/low income housing. Then a few guys, a few people, and before my dad was killed, even back in 1954, the person he was with was trying to break into that group who would build the nicer homes. And so there was a few people who were building nice homes.

But basically the Bontadellis, and I'm trying to think if there were one or two others, and there was one or two others who were out building.

SENEY: Wathan is one, was it?

MADDY: The name was Spalding Wathan, and Spalding was building out by Saint Agnes Hospital and was building a little better homes. But I think he also then competed with Bontadelli on the low income stuff.

SENEY: Well, they were partners to begin with and then they split off, at least according to the article I read.

MADDY: Well, that's probably true. I don't remember that portion of it. The Wathan brothers were always known tied very close to Saint Agnes Hospital. Made a lot of their money, most of their money, when Saint Agnes decided to close its downtown hospital and move out north, and the Wathans, I think, had the option to develop all the land out around Saint Agnes Hospital. Everybody thought that that was a very astute move on the part of the board of directors, and they helped everybody on the board of directors for sure. They were all good Catholics.

But the Wathan brothers, and I can't think of who else was competitors with Bontadelli.

But the long and short of it is, that John Bontadelli was a big man. He was a character in the sense that he was kind of a rough guy who played rough, and acted rough, and didn't wear ties, and came around and wanted to be part of things. I'm sure I met him, but I don't think I was ever friendly and/or was he friendly to me. I was just a small potato, a young lawyer in town. I'd only been practicing for a very short period of time. I started practicing in '63. And so even by the time I ran for

Governor, I had done a tremendous amount of charity work in town but none of it really pertained to--

SENEY: Do you mean Governor or Assembly?

MADDY: Assembly. When I ran for the Assembly in 1970. I had only been practicing seven years, or six years in town. All my activity in town was based on charitable work, none of which the Bontadellis, either the old man or his wife, as I recall, were involved in. So I didn't know him much from a bail of hay.

I remember an incident when I ran. We had a campaign headquarters and he stopped by to let me know that I was a pretty good kid and that with a little seasoning I might eventually, one of these days, run, but that I should have used my head and gone and worked my way through the steps. In other words, run for council, or supervisor, or something else, instead of jumping into this Assembly race right off the bat, and that I was going to lose. That I was running against an experienced politician in my Republican primary and that I was going to get beat.

It didn't happen. As I recall, John came around. I ended up winning the primary, and I was running then against Pat Camaroda, who was on the city council. I don't remember whether Pat Camaroda was a friend of Bontadelli's or not a friend of Bontadelli's, but it would have made some difference whether John came around to offer me money or something.

And I had a couple of good friends that were involved in my campaign, and in cases in which there were individuals who, like Bontadelli, could afford to donate but who did not, when asked, in my early campaigns -- and I never had an event that was more than \$50, so there was no hundred dollar events; they were fifty or less -- a couple of my friends, Karney Hodge in particular, loved to tell the guy who came in late, "No thank you, we don't need it," even though we did need it. And it had to be a certain kind of guy. It had to be like a Bontadelli who had enough money to burn a wet dog and could easily have given \$50 if he'd wanted to but he did not.

So Karney loved doing this, and plus, there was a couple of other guys. I think, if I'm not mistaken, Lou, from Guarantee Savings, was one of the other very nice individuals in town who was very influential and who should very much have been on our side but was cautious because in the race was a city councilman, and I think Karney loved walking his check back to him, to give it back to him.

SENEY: This was the check that came in after the election.

MADDY: After the election, right. Part of it was that we had a group of guys when we ran for this thing did it with a great deal of laughter in our voice, and smiles on our faces, and sort of a lark without really thinking about the consequences of winning, even though we never thought we could lose anything. You know, we were all sort of cocky. So there were some fun

things that were stupid that we did, you know, turning down [money]. I wish I could think of the guy's name. I'll think of it before long because he was a factor. He's dead now but he was a factor and was a good friend of mine for the rest of my career and so on. I can't think of it offhand right now.

But in any event, the point with Bontadelli was that Bontadelli came down after it was all over, had predicted I'd lose, and then we didn't, of course. I can't recall whether he offered money or not but I'm sure that we probably turned it down.

So Bontadelli never really ever needed me, or if he did, he didn't let me know about it. He never called me for anything. He never, that I recall, ever came up with a congregation of people from Fresno to urge me to support a Fresno project or anything of that nature. So for all purposes that I can recall, I can't recall, ever, Bontadelli and I ever being close. Plus, I didn't like him and there was a lot, I'm sure, that he didn't like about me because I didn't do much to cater to him and most people did. I don't know any of his children. They're all now major developers in town.

The Bontadelli story -- I don't know if it's even in my book¹ -- the

¹ Here, Senator Maddy is referring to the volumes of newspapers articles, speeches, newsletters and other materials from his long career that he made available to me and are now housed in the Ken Maddy Institute at California State University, Fresno.

L.A. Times tried to write a story linking me to a Bontadelli episode that just never played because there was no smoking gun, it was nonexistent.

SENEY: This is the one you mentioned, it was mentioned, again, off the tape, where your friend Karney Hodge, probably through your recommendation, in part at least, is appointed to the--

MADDY: He was appointed director of the California Housing Finance Agency.

SENEY: By?

MADDY: By the Duke. By Deukmejian. And Karney became the national chairman of the Housing Finance Agency Boards of Directors. He excelled in the job, everything went good. They did what they were supposed to do. It was not something that Deukmejian paid much attention to, because low income housing is never a winner with anybody, but Karney did very well. And in the process of everything, my sister, who was up here working at that time, was working for the caucus.

In 1983, when Bill Campbell and I lost our caucus job, the Minority Fiscal staff, which we had created, worked for Bill Campbell. They were shifted over to Seymour. Seymour and I were not at all friendly after that takeover, and my sister came to me and said, "Ken, I'm sitting here" -- her name being different, having been married -- she said, "You know, there's a lot of conversation about you and it's all I can do to either hold my tongue or they're going to find out that they've been speaking in front of your sister at times and it's going to be very embarrassing."

So I called around and I said, “Anyplace we can land a job for Marilyn? Because she’s talented enough: she worked as a superintendent or an assistant superintendent of schools; she knows a lot about education,” and so on and so forth.

And Karney says, “Send her over to CHFA.” He said, “I need an administrative person who knows administration, and she knows enough about it.” So he put her on. He said long term would be good because that way she could take the civil service exam. She’s been divorced for a lot of years and this would be good for her. Working for us in the caucus was a fly-by-night job: you had no protection.

Well, by this time, by the time of the Bontadelli story, she had already become personnel director and had passed the test and become a civil servant.

In the meantime, there was an intern’s job and my son, Don, applied for and got the intern’s job. Karney let him have an intern’s job.

So here the *L.A. Times* story which tried to unfold was that John Bontadelli, big contributor, big friend of Ken Maddy, who is responsible for Karney Hodge, who is responsible for Maddy’s sister and son getting a job, has awarded John Bontadelli in the Fresno area more low income contracts than any other place in the state.

When they finally did the checking on it, they found out that this was all done competitively and it’s all done by formula. And the reality is, that

when things are such that low income housing is not readily being built because you don't need it -- either the interest rates are low or something of that nature -- about the only place you can build low income housing is in a place like Fresno where the need is so bad.

They wrote the story but there was no smoking gun because they could find no money being given by Bontadelli to me. So the whole tie-in that was sort of part of the story, there was no smoking gun. They found out, when they actually did a little looking around, that Karney Hodge was not kidding, nor was I, when they went back to Fresno to try to find whether it was true or not that neither one of us even spoke to Bontadelli. They couldn't find a lie there. In fact, one of the reporters, the guy who wrote it, was a pretty good guy, but I don't think he apologized, a reporter never apologizes for anything.

But it was such a façade that it was a one-day little go and it was gone. Nobody ever asked any question about it because there was no smoking gun, but they had checked then about Bontadelli. I really, frankly, was never, ever much questioned after that. I think word must have gotten around that there's no smoking gun with Maddy and this guy Bontadelli.

SENEY: But you wouldn't quarrel with the reputation of Fresno then as having a politics that's kind of shady.

MADDY: Fresno's had the reputation, really, almost my entire career since I've been

down there. I mean, my career plus as long as I've been down there. I think back in 1952, when I first moved, I think it was called -- in fact, that story I'm talking about West Fresno might have been written prior to my law school time. It might have been written in my college days, in the '50s, as the "Sin City." So, I mean, it has had this reputation.

In terms of government, it's been on and off for twenty years. The ironic thing is, that Sharon Levy's been on the board of supervisors and Deran Koligian, who is [Senator Charles] Chuck Poochigian's father-in-law, has been on the board of supes for almost the same amount of time. I mean, here's a couple of people who have been on the board of supervisors as local government officials all these years and still seem to be bouncing along like nothing's happened.

The City of Clovis was the one that got nailed big, and yet, Harry Armstrong is a Democrat who's been on the board at Clovis. I saw him the other night. He always jokes about being a Democrat for Maddy, and he's been there forever. He's another one that's been around all these years and ducked all the corruption.

SENEY: Well, you don't have to pay off everyone, just a majority.

MADDY: That's all, so there's probably a few people that are left.

SENEY: That aren't necessarily touchable.

MADDY: Yes, not touchable.

SENEY: In this story on Bontadelli, it amazed me, as I said to you, again off the

tape, how little money was spent by Bontadelli in terms of campaign money.

MADDY: We're talking about a hundred dollars, or fifty bucks or something like that. It's just hard to believe anybody would sell themselves for--

SENEY: Yes, it does seem a little inexpensive, as a matter of fact.

You know, one of the things I want to talk to you about, and I thought we might spend more time on these things today -- although, is there anything else you want to say about this stuff?

MADDY: No. I mean, I think the Bontadelli thing was really a nothing, as far as I was concerned. I tried to put in that book all of the scandal stuff. Carson Rapp was the feature story. I don't think -- well, [and] the shrimp scam. It got very little press. I got no press out of it. If you read through the shrimp scam, you see my name as having carried the bill, but certainly nobody then ever spoke about any involvement and/or accusation. There weren't even any accusations on that case.

I was trying to think of anything that was ultimately printed about me that was an indication that I might have been in some way corrupt, and I can't remember any more than those right there.

SENEY: And I want to talk about the shrimp scam next time because I didn't prepare well enough to question you about that. Except, I said to you, again off the tape one day when we were meeting, that the press had left

you alone on that, really. You'd been subpoenaed. They had to know that.

MADDY: They knew I went before the Grand Jury. I don't know if I said, or I might have said to a couple of them, "What took place in the Grand Jury?" But you're right. I can't remember anybody even spending any time quizzing me much about the whole shrimp scam thing.

SENEY: I was curious. Do you think the fact that you were able to get the *Bee* to stop talking about the Carson Rapp thing was relevant to the shrimp scam?

MADDY: Hard to say, because it wouldn't have stopped these other guys, the other reporters, if they had thought there was anything.

SENEY: The reporters will talk among themselves and gossip as much as anyone and have to say that Maddy was bum rapped by the *Bee* on this.

MADDY: I think they could have, but at the same time, unless there was just something that came out, and just nothing came out. I don't think the local press was any more impressed with what the FBI had than we were. I mean, I candidly think that they looked at what the whole situation was in terms of the shrimp scam and said "this is weak at best." Maybe they got a couple of guys who should've gone--

SENEY: For other reasons.

MADDY: For other reasons. But this is just a phony deal in so many ways.

SENEY: Well, why don't we leave it there for the day and I'll come back on Friday. Is that all right?

MADDY: Okay. That sounds good.

[End Tape 1, Side A]

[Session 19, December 30, 1999]

[Begin Tape 1, Side A]

SENEY: Good morning, Senator.

MADDY: Good morning.

SENEY: I want to ask you about a couple of things before we get into talking about the shrimp scam a little bit more today. One was, in the mid-1990's, the Senate seems to begin to eclipse the Assembly in terms of power. At least there's a number of articles to that effect. That the Senate under Lockyer's leadership on the one side and then yours on the other, compared to what's going on in the Assembly, looks to be the more powerful of the two houses.

Could you comment on that, what your views would be on that?

MADDY: Well, I think it was a combination of things: when Willie Brown left, which was not exactly at that point in time; and all the upheaval with the various changes in the speakerships, with [Assembly Speaker Brian] Setencich moving and then [Assembly Speaker Paul] Horcher, and they move all these different people in. I think the criticism of the Assembly and the lack of leadership and everything being in disarray just automatically moved it over to the Senate as being a focal point of power.

And I think Lockyer worked at that a little bit also. I think Lockyer

was trying to make a point. He had obviously higher office in mind and he was going to try to do things correctly and try to do things in a way that would get him the right kind of publicity for the future.

SENEY: So you would agree with that assessment then.

MADDY: Oh, I would agree. There was no doubt that no one waited for the Assembly to do anything. With the breakup and with the speakership battles and so on, Lockyer and I didn't look to the Assembly for anything. It was almost a joke in the sense that it was just a question of ducking, if you will, the rocks that they threw at each other, and what they came up with went from one moment to the next because they were not doing anything other than playing major games. And to the extent that we were trying to produce the budgets and trying to get things completed and out of the way, and in Lockyer's case trying to make a record, we just paid no attention to them, as I recall, and just forced them.

The key is, that a strong house, a strong Senate like that, can put together the budget, or we can put together a major proposal on health care, or whatever, and just jam it over there and say, "Look, folks, this is the way it's going to be." Now, obviously, if you've got the Governor in any way helping you -- in other words, saying, "This is not a bad idea" -- then you're going to isolate the Assembly. And when there's disarray and everything's going crazy, you'll find members of the Assembly who will peel off. I

mean, there'll be a great number of those folks would like to disavow any membership in the Assembly, basically saying, "I don't want to be part of this; I am not part of this. This is crazy. I'm a better person; I'm not fighting. I don't believe in what they're doing to Setencich or Horcher. I don't believe in any of this stuff that's going on."

SENEY: Did you get involved at all in those skirmishes over there? Did they come to you?

MADDY: No, I really didn't. It was interesting because Horcher and Setencich, both, on more than one occasion were seen discussing things with me. It was reported they came to see me about different things. Both of them had images of moderate, and Setencich was from Fresno and I knew him. And to the extent that, in part, they wanted some advice and help, I tried to give it to them. But my advice was the kind that wasn't going to sell very well.

SENEY: What were they looking to you for and what advice did you give them?

MADDY: I think what they were looking to me was for some solution as to "How can I be Speaker? How can I keep this job with all of my friends in my own party disliking me, and this sort of coalition of Democrats using me? How can I mend the fences and make it so that it will work, yet still remain Speaker?"

Well, the last sentence there is the toughest one. I thought they could do a lot of things that might enhance their own image, meaning

keeping it in the Republican Party and letting the Republican Party have it, but they would have to give it up themselves. They didn't have the power to hold on; they'd already been tainted. I said, "You might get the coalition. You might find a coalition. You might find a group of Dems and Republicans who you could work together. Whether you could hold onto it yourself and make it work, I don't think it's possible."

At one point in time Setencich was trying to have this system whereby he mixed up the authority and so on, and I said, "You have to make one team or the other. The Republicans have a majority and," I said, "in some fashion, you're going to have to recognize that authority. You can give Democrats power and you can try to say that we're going to try to run a show here, we're going to try to run an operation that recognizes talent, and put the right people in the right spots and so on, and try to go to the best of all of the instincts of the members and those particularly with talent and try to put something together. But if you're going to play the game that one side or the other has got ultimate control -- in other words, if you're going to insist that Willie is going to have the last say -- you're not going to be able to hold on. You can't possibly do that."

So we discussed a few things, but it wasn't lengthy, it wasn't long discussions. I knew both of them well, and when I say "well"--

SENEY: You mean Horcher and--

MADDY: Horcher and Setencich. And then, of course, when [Assembly Speaker]

Doris Allen took over, it was “Katy bar the door.” That was all she wrote. Doris and I were not necessarily friends or anything. I never really had any discussion with her.

SENEY: Was it the fact that Willie was making the ultimate decisions for both Horcher and Setencich? Did he have the power over them?

MADDY: Sure he had the power. And why they thought they could hold on I don't know, because Willie was far too smart for that.

SENEY: Did you ever talk to him about this stuff?

MADDY: No. Other than just in a very offhand joking manner. This was a big coup. This was quite a coup for Willie. This'll go down in his history as to how and why he did it. He'd probably easily say why he did it.

SENEY: What's your feeling about it?

MADDY: Well, he just never let the Republicans have control. He kept them from being in control, which is a major victory. You know, you lose the leadership finally for the first time in “X” number of years -- it was 1969 - - lose control of the State Assembly and the Republicans take charge, they're not in charge. I mean, Willie pulls a coup. Willie pulls a deal with the Democrats -- or a Democrat still has control of things. That's not done very often, or ever. So I think it's a major achievement for Willie.

Obviously, the more the two individuals, Setencich and Horcher, either get in trouble or show how little success they've been able to enjoy since they left, the better it makes the Republicans look, in a sense. Well,

it doesn't make the Republicans look good; it doesn't make anybody look good. It just shows that Willie had the instinct again to pick the weak and to go after the weak sisters.

There were so many mistakes. I think the Republicans made horrible mistakes. The day, the evening, that they won, the rumor was out that Horcher was ready to move.

SENEY: To the Democratic side.

MADDY: To the Democratic side. And, of course, I was in the Senate. But I could never understand why the leadership in our Republican Party, in its entirety, wasn't called to go out to Horcher and camp in his front yard and just say, "Paul, whatever you want, pal, whatever you'd like to do, it doesn't make any difference. You can take a chairmanship. You're not going to be Speaker but you're a Republican, stay with us. If you want another appointment, another assignment, we can arrange that. We'll get the Governor." I mean, the Governor could have been there. Instead, everybody said, "Well, screw him. He can't do that to us," and so on and so forth.

I think there was a way. I mean, Paul Horcher was not a bad guy and he's a guy that was sitting there on a very short term of being in the Legislature. It's all ego. He could have enjoyed the best of things within the Republican Party and stayed loyal and the Republicans would have taken over. That would have given at least a fighting chance for the next

go-around. Instead, everybody ignored him. I don't think anybody even gave a courtesy call to him. I'm reasonably certain the Governor never called him. You got to get the Governor. The Gov's got to be the guy who makes those big calls.

I'm not certain of all those facts, but my understanding of them was that nobody did anything for either of those two gents. They tried a lot on Doris Allen but by that time the dye had been cast, if you will. People had figured out how to work this system and they were doing all kinds of things. But Horcher was the key guy. They should have been there on his front yard, saying, "Look, you've got problems at home. We'll do [this], we'll do [that], we'll do," whatever it was.

But I think typical of politicians, we just sit back and say, "The hell with him. They can't hurt us. They can't really do it." Willie showed he could.

SENEY: What was the source of Horcher's anger toward the Republicans?

MADDY: That part I'm unclear. In fact, I don't even have a hint. I was going to think about that and I couldn't come up with anything that I recall.

SENEY: You know, let me remind you of something that I'm sure you recollect, and that is that he ran for Frank Hill's seat, the rest of Frank Hill's term for the Senate, and didn't win, as I understand it.

MADDY: No.

SENEY: Would that might have played into whatever the Republicans' role might

have been down there?

MADDY: I don't know if it did or not. I don't know if it was ever connected. I don't think it had ever been connected.

It was a sad deal, the one shot we had, the one chance we had in a decade. It was a short jump from here to having a majority in both houses and a Democratic governor. I'm not sure if we'd played it differently that any of that would have changed, but it sure might have changed instead of the situation we have now.

SENEY: From the outside, it made the Republicans in the Assembly look very foolish.

MADDY: Oh yes. No leadership, no nothing. It was really too bad. You know, to the extent that the Governor could have gotten involved, some people hammered him a little bit. But I think he felt he wanted to stay out of the legislative battles, but sometimes you need the legislative battles to have enough power to win.

SENEY: Anything else you want to say about the intrigues over there?

MADDY: No. That was clearly a Willie Brown victory. I don't think anybody else could have pulled it off. I don't think anybody else would have thought it out. Almost anybody else would have just played the game sort of by the rules, the rules being they beat us, that should be it. But Willie did not, and the Reps were off guard and weak.

SENEY: Well, it was a big feather in his cap.

MADDY: I think it was huge.

SENEY: You must have admired that as a politician yourself.

MADDY: Oh, everybody [did]. I mean, that's why Willie gets and receives so many plaudits from so many other politicians all the time, because he does do things that really are beyond the realm, beyond what anybody else is capable of doing. You know, he's lost a few along the way. I mean, he should have been Speaker probably earlier than he did because of some of the flamboyance. But you can't accuse him of making the same mistake twice.

The joke in this last go-around with him running for the mayor, I mean, anybody who thinks that he was going to become -- you and I had talked about it -- I thought it was never going to be close. But the fact that he gets control of the mayor's office, and anybody who thinks that they're going to be able to beat him after he had control is, I think, a little bit wishful thinking.

SENEY: Well, you expressed all kinds of confidence in him, and of course, he got, what, 60 percent of the vote.

MADDY: Sixty-plus percent of the vote.

SENEY: He did very well.

MADDY: Number one, you've got the capability in that town of making sure you get the votes when you need them and all the rest of it.

SENEY: What do you mean by that?

MADDY: Well, I mean, I don't think there's any doubt that all the stories about busloads of people coming to cast their absentee ballots -- I mean, they had an absentee ballot program. Whether or not it bordered on being illegal is probably anyone's question.

One of the great dangers in terms of our democratic process, in my opinion, is the absentee ballot system. You take a house full of elderly people and you walk in and, by and large, it's somebody of importance and you say, "Fill out these forms, this allows you to vote," and I would wager that 80 percent will say, in some locations, in some of these areas, particularly in low income areas, "How do we vote?"

"Well, you just fill out here, and you mark this. And then on Election Day, we're coming and we're going to take a ride and we're going to have dinner." So the bus comes and everybody gets on the bus and goes and casts their ballots, because they did it all in person. I understand that these people came, brought down their absentee ballots and deposited them, and then had dinner.

How many were influenced by all of that treatment? Anybody's guess. But my understanding was the busloads of low income of all races, the minority community, you name it, they were all there with a program that was designed to have them fill out the forms at the proper time, make sure the forms were completed in the manner in which they should be, and not mailed in. Let's not take any chances there. Let's not take any

chances of somebody saying that you were illegally picking up the ballots, which you're not supposed to do, and hand carry them for somebody else. The person themselves were delivering them. So bingo, they get on the bus.

I mean, how many do you need? How many do you need before that works? And what other town in the state would work that well? You could go into Fresno and you might find a few centers for elderly or a few places for low income minorities and others who would be prone to be receptive to this kind of pressure but not in the same number as you would find in San Francisco.

You take somebody as popular as Willie was and do all the rest that you can do to enhance in order to have people vote for him, I think it's pretty clear. I mean, it was just too easy. And, I think when they're all finished, he's going to have whatever organization, or whatever you call it, is going to be a tough one to beat.

Once you get all the names, and once you get all the locations, and once you get all the organizers, and once you get all the homes listed, and once you get all the neighborhood key people, then you've got yourself the equivalent of what we all used to read about in Chicago, in the East, in places in which there was this kind of politics that took place. The difference being that we never had much of it in California because we were so transient. San Francisco being a little different.

Now, all that, of course, is speculation. It's just what we politicians sit around and talk about. But the buses were there, and the absentee ballots were delivered, and how much they're going to write about it, who knows, in the future. I doubt if they write very much about it.

SENEY: I know you're in touch with John Burton a lot who's Pro Tem and from San Francisco. Did you and he talk much about the election?

MADDY: Not very much about it. He was of the same mind that I was: that it was rather silly for so much to be written about the danger Willie faced, that he was going to be threatened by this guy. If you take a look at the opponent, it was a guy who couldn't get elected anywhere else in the country, I don't think. I mean, he had to find this one city. With this guy's stand on just the most basic issues -- take away all of his own personal characteristics -- but take his vote, what he liked to do, the mandatory taxes, and this and that and the other thing, you couldn't ask for a better candidate.

SENEY: Do you think Willie might have been responsible for some of those dire predictions and stories of defeat?

MADDY: It would not be beyond what Willie would do. In other words, let's get this thing really moving; how do we raise the most money? Put the scare out.

SENEY: And then when you win, as you're sure you will, you look even better, more invulnerable.

MADDY: That's right.

SENEY: When you talk about his organization, and you draw analogies to Chicago, the awful word “machine” comes into mind.

MADDY: Yes, that’s what I mean. In my 28 years, I don’t know of many cities in California in which you could go in and talk about a “machine” or list four or five people that have substantial control over the outcome of elections and/or the outcome of anything. In other words, a city council vote or a board of supervisors vote. And again, this is all basically hearsay and it’s all just what we talk about in the political world.

San Francisco is the one place in which it has always been known that the Burtons, and the Browns, and the one or two other organizations -- I mean, there’s been more than just one, because on the other side was Leo McCarthy, and there were other factions.

SENEY: Diane Feinstein.

MADDY: Feinstein and so on. But, I mean, that’s about the only city where you talk about a machine. You take a look at the neighborhoods, for instance. If you read the *Chron* [*San Francisco Chronicle*], they still write about the neighborhoods. We don’t write about the neighborhoods in Sacramento. What’s the neighborhoods? You don’t write about them. But in San Francisco you write about the neighborhoods and you write about the areas, and I can’t think of many of them right offhand.

SENEY: Sunset? West Portal, etc.?

MADDY: Yes, and when you do that, you talk about who’s in charge. Who’s the

boss? Who's the key player in this area? And that means something. They have that key player, they have then the other players, and when you get to organizing -- there's nothing better than organizing and saying, "Look, who do you have?"

"Well, here are the eighteen districts, neighborhoods, whatever you want to call them, and we've got fifteen of the key players that are already signed up, Willie, and each of them has promised that--" etc., etc.

So, I mean, the "machine," if you take other cities and counties in this state, in other areas, you get very, very little of that.

SENEY: Where would you put what's sometimes called the "Berman-Waxman machine" in West L.A.? It's West L.A., isn't it?

MADDY: Yes, West L.A. It was by far, next to San Francisco, the strongest, but I think there was a difference. I think Waxman-Berman had less folks, less people, more technology and more intelligence, and they could go out and get the people. They didn't have to have them all the time.

In San Francisco you had to satisfy all these people. So-and-so had to get appointed to this, and somebody had to be appointed to that, and somebody had to be part of this organization, and somebody had to be this and that, and so on. That's the way everybody was satisfied. In the Waxman-Berman thing, it was all technology and intelligence.

SENEY: And money too.

MADDY: And money -- who was registered where -- and all of the nuances of the

game on reapportionment: Who'd you go to? You go to Waxman-Berman. How do you figure out who lives where? They had it all. I mean, that was the thing that they were so powerful, and they've been doing it for a long, long time.

But no one ever listed another fifty names of people that were Waxman-Berman key players. At least not to me. It was always known to me as Waxman-Berman. You're figuring on those two guys. They were the guys who were there to deliver, and they delivered the information that you needed.

SENEY: Let me just ask you one more thing about Willie Brown's run for mayor. Did you contribute to his campaign?

MADDY: Yes, both times I did.

SENEY: What is the maximum you can give over there?

MADDY: I think it was a thousand.

SENEY: Were you good for that both times?

MADDY: Yes. The first time he mentioned four people in his thank you speech. Bob Beverly and myself were two of the four. He mentioned his two Republican friends who were there: Ken Maddy and Bob Beverly.

SENEY: This is when he was first elected.

MADDY: First elected, and then this time I just sent in my check and I didn't do anything else.

SENEY: Okay, let me ask you about a couple of other sort of unrelated things that I

wanted to ask you about. This has to do with Governor Wilson and it has to do with rejecting a couple of his nominees for the CSUS [California State University System] Board of Trustees and for the UC Board of Trustees. One was for the CSUS Board of Trustees: Rosemary Thacker. And I'm trying to think, there was an Asian gentleman who was the nominee--

MADDY: [Lester] Lee, or something like that. I took it up on the floor.

SENEY: You did, right. And you scolded the Democrats for injecting partisanship in here. But what was going on in that? Do you remember that particular thing?

MADDY: I don't remember the background as to why they were going to turn down the two. I brought up Lee because he was so well known and was Asian. He wanted to go forward. He wanted to test it. Thacker, as I recall.

When somebody was rejected by the Senate -- in other words, we're not going to confirm that person -- then I would not bring them up, which I had the right to do. I had the right to pull them out of committee.

SENEY: You mean when they were rejected by the Rules Committee.

MADDY: By the Rules Committee. I had the right to bring them up and have a vote on the floor.

There was only one reason to do that: to embarrass. And, of course, Lockyer didn't like the fact I brought up Lee.

SENEY: This was Lester Lee, by the way.

MADDY: Yes, Lester Lee. But he was very well known, very credible. He was Asian. The big issue was, who likes minorities more? An issue, obviously, that you could use a little bit, so we brought up Lee. And Lee had a couple of pretty good Democratic friends, and so it put Lockyer on the spot pretty well. I told him that I was going to do it and that's part of my job, and he wasn't happy about it. But it got the headlines we wanted. Nothing happened. It didn't change.

SENEY: He understood that you had to do that.

MADDY: Yes, but he was still mad at me.

SENEY: Did he retaliate in any way?

MADDY: I don't think so. Anytime you did anything that Bill didn't like he got mad at you, but he rarely did anything to retaliate that was significant, because, number one, there wasn't anything he could do that would hurt very much.

I always had a theory that we never really tested each other. I never did test anybody as leader. My belief was that if I could organize my caucus to take pain -- in other words, to really go after the Democrats in a number of ways -- we could disrupt this place. We could bring it to a halt and so on.

Number one, most members did not want to do that. That was not part of what they wanted to do. And I think they didn't want to do it not so much because they worried about image and so on, they just didn't want to go through the pain. So my view was, if they're not going to join

me, there's no way in the world I was going to do it by myself. Why take that on?

But it would have been interesting to really go to war. You look at Congress all the time. Look at the Republicans and the Democrats in Congress. They only go up to a certain point in terms of disruption, and it's all calculated. And when the Reps shut down government, bad calculation. Clinton blames it on them and they lose big time. We could shut down government easily around here and reach the same kind of conclusion. You have to really calculate it.

So on the other side of the coin, Lockyer knew there were some things I had to do. There were some things that were critical to my maintaining my leadership and other things.

SENEY: You wouldn't blindside him with this, though. You'd go tell him what you were going to do?

MADDY: Oh, I told him. Absolutely.

SENEY: There was one other thing. This was in '98, just before you left office in September of '98. This was a proposed Constitutional Amendment, number 35, that would have lengthened the terms of office by one term each. Would have given the Assembly six years and the Senate twelve years, I think. Is that right?

MADDY: Mm hmm.

SENEY: And it looks like it went through the Senate by 27-7 but you didn't make it

through the Assembly.

Was this a serious effort on your part?

MADDY: It was an effort that was serious from the standpoint that it would have been nice to have passed, but no one ever thought it was going to pass. It was kind of a test, that was all.

SENEY: You attached some other things to it that made it look a little more attractive. One of the things you did was it wouldn't be a lifetime ban. You could stay out a term and then come back. But you also attached legislative pay to it, and that is, you limited the amount of pay increases to, I think, five percent a year, which this Citizens Compensation Commission has been more generous than that.

MADDY: That was sort of the attraction. The reverse of what took place this last time of cutting your pay. The other is, if you don't like the fact that the Commission's there -- which I was also coauthor of that bill to establish the Commission. They determine the pay but they also have a limitation on it, which was the five percent.

[End Tape 1, Side A]

[Begin Tape 1, Side B]

SENEY: I thought of you when I saw the news that Bill Thomas' initiative was struck down by the State Supreme Court. And again, this initiative tied together legislative pay cuts and giving the Supreme Court the power to redistrict the state.

What was your feeling on that? You must have been pleased, I would think.

MADDY: Number one, the whole notion of reapportionment being conducted by the Supreme Court was probably a pro-Republican idea. The fact that he connected it to the pay of legislators, I thought was kind of a cheap shot, that I never have ever tolerated and never have liked. So I just thought it was an example of somebody wanting to sacrifice another person's life to help himself.

I'm glad they got rid of it. I'm glad the Supreme Court did it. I think it's going to save Republicans a lot of money. It'll keep them from having to engage in that exercise.

SENEY: You mean the money over the initiative.

MADDY: Right. No matter what happened, Thomas would have gotten a fair number of Republicans to buy onto it and put the money in it. I don't think there was a chance of a snowball in hell of winning.

At some point in time the reapportionment is terribly, terribly corrupt in the sense that it is not one bit fair and is designed to give all the power to the party that's in power. When you're in power as much as the Democrats are -- in other words, have both houses plus the governorship -- you're in total control.

The Republicans are going to have to face that. It's been my thought that the way we should face it is wait and see what the Democrats do, if

they do draw an outrageous plan. We have been successful in a referendum once before when they drew an outrageous plan.

SENEY: Just after the 1980 reapportionment.

MADDY: Right. At least you have something to sell there. What Thomas was saying was be careful folks, the Democrats are bad people and they're going to write a bad plan. He didn't have a bad plan; he just said, "Be careful, they're going to write one."

That's much different than when it's all over and they write a bad plan and you walk up and you say, "Look, here's a bad plan. This is a horribly dishonest, unfair plan and totally disenfranchises hundreds of thousands of people, and you guys ought to be mad about it, Democrats and Republicans. This is not a partisan issue." I think you've got a better argument to go forward with.

So, I mean, whether or not you can raise the money to do it, and so on, is another question.

SENEY: You know, the law is whatever the court says it is, and if they had wanted to say this was okay, they could have said it was okay.

MADDY: Sure.

SENEY: Because there are other measures that have been put on that have more than one topic in them.

But my feeling was, and I'd like you to comment on this, is that the Supreme Court, while they might be willing to handle redistricting,

reapportionment, as a fallback as a result of legislative failure, that as an institution that they might not be willing to take this on, on a regular basis.

MADDY: I think you're absolutely right. I don't think they want any part of this thing. There's enough politicians among the Supreme Court members -- you know, people who are familiar with politics -- that they know what this is all about. It might have been when I was going to law school, and I'm trying to think of some of the famous, old California State Supreme Court justices, but most of them came out the academic world: [Associate Justice Roger J.] Traynor and--

SENEY: Roger Traynor.

MADDY: Most of them came out of the academic world. Look at old Marv Baxter. I remember Marv when he started practicing law in Fresno. He made it all the way to where he's at strictly through politics, and the rest of them, or mostly. [Associate Justice] Janet Brown is strictly politics. So they know politics. They're not academicians. They're not people who grew up in the hallowed halls of the law schools and were chosen because of their great brilliance. They were chosen because of politics. They know what this is all about.

SENEY: We talked before about the shrimp scam business. Why don't we talk a little bit more about that?

You talked about your own situation, and I think we'll probably come back to that, but did you have any inkling, were there any rumors,

that something like this was going on before those raids in 1988?

MADDY: No. Total surprise to me and I think almost anybody else.

SENEY: What was your reaction when you heard the news of these offices being--

MADDY: You know, everybody's outraged when you find that offices are being raided, and your first reaction is to go and say -- at least mine was -- the feeling "I'm glad it's not me," because we were not raided. So I didn't have any problems with it. In fact, I didn't know for several days that the issue was the one that I had participated in. I mean, I had no idea. It was a total shock to me when they told me I carried the bill. So that was even more of an earth shaker. Then it was a question of saying, "Let's go through our materials and see what we've got," because that's how it first came about: they wanted to know our materials. Well, we didn't have anything; literally didn't have anything.

SENEY: Would you have had, under normal circumstances, say, a file on a particular bill?

MADDY: No. The situation that occurred was that an Assembly bill came to the Senate; had to be, what we call, "handled" on the floor. In other words, somebody had to carry it. We call it "carry the bill on the floor." That's the expression. What it really means is that you are listed as the floor jockey -- if you want to call it, that's another word -- or the sponsor of the bill while it's in the Senate. It comes over to your office generally in a file, so that you can read the file and understand what the bill's about.

You have not taken it through committee so you have no knowledge of what the committee arguments are or anything else. You merely get it and you can go through the file and see what the questions are, and that, again, depends on how complete and how thorough the Assembly author is, how much work did they put into it. And then when the time comes for the bill to appear on the floor by file order -- it's there and you are the sponsor -- if it comes up -- I forget the name of the woman but she says, "This is Assembly Bill [so-and-so] by [so-and-so]--"

SENEY: Was it [Senator Diane E.] Watson?

MADDY: Not Watson. It was another African American woman. I forget her name.

Anyway, and they said, "Senator Maddy, you're the sponsor of the bill." They'd list it, you know, because her office tells the Senate Floor and they list in the journal.

SENEY: You're summoned over to the Senate clerk and--

MADDY: Well, they call. And so, in this situation--

SENEY: [Assemblywoman] Gwen Moore?

MADDY: Gwen Moore, yes. "Assembly Bill [so-and-so] by Moore. Senator Maddy, take it up."

This bill was so minor. It had nothing really about it in the file. As I say, the unique situation was I was leader and I'd given instructions not to arrange for me to carry any bills. I didn't have time to carry bills on the floor. There was a certain advantage to having leadership carry bills; you

know, obviously for the fact that you're leadership. But it was laying there on my desk, and as I looked at it -- I can recall, I told the FBI later, I recall getting mad about the fact "What am I doing with this thing?" -- but I opened it up and looked at it and it was nothing.

SENEY: Was there much in the file other than the bill itself?

MADDY: No, just two, or three, or four pieces of paper that explained it a little bit. And most of it was the analysis that came out of the Assembly. What you normally do is on your desk you have an analysis of the Senate, the Senate Floor analysis. That used to be a dual and is back being a dual, but when I was Leader, I got the Democrats to agree that we ought to have just one analysis, and so we had, what we'd call, a joint Senate analysis. I open that up, and boom, I look at that. Essentially one paragraph explained what this good government, pro-business package was.

SENEY: Pro-minorities, because it was going to hire poor people.

MADDY: So my recollection, and what everybody else recalled afterwards, was I gave about three sentences that "This is a noncontroversial bill that assists in bringing jobs into Sacramento and I'd ask for an aye vote and substitute a roll call." I don't know if I got a substituted roll call or not, but I almost think I did, which means what they do is they'll take the last full roll call, the last one in which we had a unanimous vote, or everybody there has voted, and say, "Without objection, we'll substitute the roll." Bingo. So then you get the total votes: 40 votes. And that's the end of it.

In this case, the only thing I recall about the bill was I hand carried the bill back up to Joann and with some vigor threw it on her desk and said, "I told you I didn't want--"

SENEY: This was your chief of staff.

MADDY: Chief of staff. And her best recollection was that I came up there and was upset over the fact that I was carrying the bill, and she tried to figure out how in the world it got there. And then she learned from somebody that Pat Nolan's secretary, this woman had brought it by and said Pat had told her that I had given permission that I would carry the bill, and so she put it on my desk.

SENEY: And Pat Nolan's secretary was one of the ones who was implicated.

MADDY: She was the one that was carrying the wire a lot. Watson.

SENEY: Watson, right.

So then you had some record of what you had done?

MADDY: We looked for everything; we couldn't find a thing. No, we couldn't find anything. We put all this together by sort of hunt and peck. We just sort of "Think about this thing: when did this happen?"

The one gal who had gone home -- I think she'd retired by that time - - came back and she said, "No, I remember it was Watson who brought the thing by." We sort of went back and forth. So that's how we built this thing.

But in the meantime, of course, the FBI had come in and began to

question me and so on about the issue. My first recollection was "I don't remember anything about it. Did I carry it? Obviously, if the journal says I did, I did. I don't have any memory of carrying it."

SENEY: What do you recall about that first meeting with the FBI agent?

MADDY: I just walked in and was totally open and candid. They asked me a few questions. I didn't think there was much of it. I frankly think their honesty leaves a lot to be desired. I think they attempt to lie and try to set you up and try to have you answer a question incorrectly. I mean, I think they do a lot of things that are dishonorable.

SENEY: Did you go by yourself or did you take an attorney with you at that point?

MADDY: No, I went by myself. I went everywhere by myself. I never took an attorney.

SENEY: Now, you've said before to me, when we talked off the tape too, and you've said it on the tape as well, your opinion of the FBI has changed considerably as a result of this experience.

What was it about when you say that they will lie and attempt to--

MADDY: Well, let me say that I think I had the same basic opinion that most kids grew up my age did, that the FBI was infallible, that the FBI was important, that the FBI were honest and trustworthy. They were heroes. All those programs were programs that I enjoyed -- law enforcement type programs.

SENEY: Programs meaning--? TV and radio programs?

MADDY: TV and radio programs. And I had met the FBI on one other occasion when I was in the military when they were involved in a case on the military base in which I was the Air Police Officer. Well, I was involved in two or three cases, which only made me a little bit doubtful about them in the sense that I had an airman return to the base, and he had been AWOL [absent without leave] for twenty years; he'd been absent without leave for twenty years; and they brought him back to Oxnard. And I'm not sure why they put him into Oxnard. But the long and short of it was that he told me how he returned. And what he did is he finally got tired of being away and he wanted to clear this up, and it was twenty years and he thought it would end. So he went in and wrote to the FBI and told them the whole story and then went down and met with them.

And the thing that disturbed me was, that when they finally came after him, which was sometime later -- not a lengthy time -- that they saw fit to handcuff him and take him back to the stockade, or whatever it was, and so on. And then they took credit in their press release that this due diligence, this extensive work of the FBI, we captured somebody else. So I said, "Well, they're good enough; why be phony?"

Our PX was robbed and someone took the safe out. The FBI came and got involved in that, and there was a question of jurisdiction. County of Ventura -- oh, I forget who all was involved in the Oxnard Air Force Base regime and how and in what manner, and who was going to do it.

When it finally broke, what happened was two of my own airmen -- I mean, I had more fun being Air Police Officer. The shootings on the base were always my own airmen shooting each other. The guys that are out on the post quick drawing each other were my guys. You know, the PX was robbed. It was two of my men that robbed it.

But again, the FBI came out with this press release, again, phony as hell, about how they'd done this masterful job of work. I was less enamored with the mystique of the FBI, plus I was a little older. Obviously, I didn't believe everything I believed when I was younger. But, I mean, the way that they purposefully lied to me and attempted in every way possible to set a story up during this period of time, and I was cold honest with them. I mean, I never, ever tried to avoid one item of evidence or anything else. I didn't try to protect anybody. And they lied to me every step of the way in terms of never telling me what was involved, was I really involved, was anybody accusing me of being involved, was there any information that linked me with this, and I asked all those questions.

SENEY: And their response was--?

MADDY: They just either refused to say or they lied to me. We finally went into the Grand Jury in which they then had this audio tape that was a tape that Pat Nolan and Frank Hill were carrying one day after a leadership meeting in which they allegedly spoke to me about "Would you carry the bill?" and

so on, and Frank Hill's comment, "Don't worry, I've got Maddy on the line; he's agreed he'll carry the bill," and so on and so forth. That was part of the audio tape.

And I can understand how they said that. I mean, Nolan might have said to me at some point, "I've got a bill for you. Will you carry it?" Well, if Pat Nolan said he had a bill for me, I'd probably carry anything.

So it was just the way and the fact they used the tape. Their whole operation of this shrimp scam, I thought, was dishonorable. They used, I think, a lot of dishonorable tactics to accomplish something that really wasn't that important. Number one, they established the whole shrimp scam thing. That was all theirs. They made it up, they set it up. Shrimp scam would not have happened; there wouldn't have been the \$5,000 dollars; there wouldn't have been a business firm in California come up and offer people money.

Now, I can say that and, of course, they can say, "Oh no, that's the way we have to prove things," and so on. But to me, they're just less than what they should be by far.

And I think everything you see now, you're starting to see this guy who's in charge around here who solved the murder mystery out in Yosemite, you know, months before it was solved. I mean, he's done everything wrong. They're looking for publicity now. Everything they're doing seems to fall on bringing what I think is disrespect upon them. I

believe really strongly that the FBI should be beyond question. They ought to be a key law enforcement agency that does everything correctly. But I'm just really sour on them, frankly.

SENEY: Let me ask you about the tape between Frank Hill and Pat Nolan. Who was taping whom?

MADDY: I think there had to be a third person there, and it could have been Watson. Mine got involved in it, and I appeared in several places. One was the situation as to, again, those staff people. The staff person, the FBI or somebody were forcing to try to get me to carry the bill. They wanted me to carry the bill. Then that very helpful piece of information came out with the one staff guy -- in fact, he came and said hello to us when we were having lunch there one day -- in which he said, "Don't bother. If you mention money to Maddy, you're not going to get any help. He doesn't discuss money."

SENEY: And this was on the tape as well.

MADDY: That was on a separate tape, yes.

Well, then at one point at time, then the question was, in terms of linking all this, how they got me to carry it. There was a leadership meeting every Tuesday and Frank Hill and Nolan were two of the leaders and I was one the Senate leaders -- Republican.

SENEY: Frank Hill and Nolan were in the Assembly at that point.

MADDY: Right, and they were the Republican leaders. And so George Deukmejian would have a Tuesday meeting among Republican leadership and so we would have four to six people there. And so at the leadership meeting -- I think there was a couple of tapes involved, if I recall. Something to the effect that Frank Hill said, "I'll take care of Maddy." You know, he's kind of bragging, he said something about, "I have a meeting with the Governor and him every Tuesday morning," or something to that effect. And then later on, the actual tape that came out was -- on that tape one says to the other something about, "Will Maddy carry the bill?"

And he says, "Yes, I talked to him. He'll carry the bill."

So when I got to the Grand Jury room, they asked me, "Did you say that?" And I said, "I don't have any memory of saying that. I don't have any memory of discussing this bill at all." Looking out at the Grand Jury, they didn't believe a word I said, I'm sure.

That's what I told you, I came away convinced, after sitting on the Grand Jury, that they literally believed that if I received a campaign contribution at some point in my life, again, whether it was before or afterwards -- well, it probably helped their thinking if it was afterwards -- but that I ever did anything for them, that was because of the payoff. That was the way the Grand Jury thought. Which was a horrible situation to me. There was certainly nothing honest, there was nothing equal, there

was nothing appropriate about that kind of a setup and that kind of a judicial system.

At the same time, I'm not stupid in the sense that you know you have to do a number of things to apprehend some of these bad apples. But as I say, the FBI lost a lot with me.

SENEY: Most of the people that they ended up nailing were not particularly popular. I'm talking about the elected members now. I'm talking about Montoya, Carpenter, Alan Robbins. Frank Hill was popular though.

MADDY: Correct. Very popular.

SENEY: And he was well liked.

MADDY: And Nolan was reasonably well liked, right?

SENEY: Right, right. I didn't mean to suggest that he wasn't.

But there was a question about Frank Hill leaving the Senate in 1994. He had been convicted and wanted to stay on until -- I think the term was something that had been finalized, or whatever, and that meant he'd been sentenced, which was a couple of months down the road. You didn't seem to mind that. There were others who didn't mind that. I think [Senator Nicholas C.] Nick Petris was one who said he should have his day in court, and Petris, as a member of Rules Committee, voted against removing him from office. He did eventually resign.

MADDY: Yes, he did.

SENEY: But Leroy Greene played a kind of leading role in forcing him out. Did he

not?

MADDY: You know, I can't remember whether he did or not.

SENEY: Well, he put forward, or so he has told me, a resolution to establish an Ethics Committee.

MADDY: I know that came up during that period of time, right.

SENEY: But you don't remember that particularly?

MADDY: I don't remember whether it was Leroy or not that was involved in it. There was heavy discussion. The discussion was not so much over Frank as it was over how we looked. That was typically the key, as to how badly the Senate looked in allowing these things to continue, and it could have been Leroy because Leroy was chairman of, I think, the Ethics [Committee]. We did have an ethics type of committee and he was one of the senior in terms of age and so on. He may very well have been the chairman and put something forth.

I'm not sure what the consequences were. It could have been money. It could have been retirement pay or something of that nature, but Frank wanted to hang on. That was true. But I don't remember much other than that.

SENEY: You know, the staff played a big role in all of this.

MADDY: Oh yes.

SENEY: John Shahabian especially, who was a Rules Committee person, who worked for Paul Carpenter. Then there were your own staff people who

were unwitting accomplices and this other staff who came to them and were witting accomplices, I would guess.

Does this make you think about the importance of the staff?

MADDY: I don't think it changed my opinion or my feeling about my staff because I always felt you had to have tremendous loyalty because so many things took place that relied upon your staff to do what you said; oftentimes not written out but follow the rules to make sure that things worked right.

I never, ever worried much or thought much about the shady side, if you will, or anything that pertained to illegalities because I didn't do it. I didn't ever get involved much in it.

I did, candidly, after this thing was over -- because what they did is they picked up the files and they did a lot of looking at the files -- I had my staff go and pull all files. I said, "I want to take every file we've got in this office and I want you to go through it, and if there's any reference or any memos or anything in the file that has a reference to a fundraiser," for instance, that in any way connects a dollar to the donut, if you will, in some fashion -- and what I had stumbled on, I forget if it was Joann, who is very meticulous about keeping notes, had said something to the effect that "[So-and-so] would like an amendment on [this, this, and this] in this bill," and then --
line -- "will be at the fundraiser this evening."

SENEY: That was in the bill file.

MADDY: That was in the bill file. Just a memo. The practice of my staff was to take everything, anytime there was a note or memo or anything, put it in the file so it's there and we can go through it if and when that time comes.

So what I did was, I said, "I know how people think." I said, "We're going to lose some memos but open up those files, go through every single one of them. If and where you find anything that makes any reference whatsoever to a fundraiser or to somebody who made a contribution, I don't care where it is or whether it has any reference to this file, then destroy that," and so we did. My thought was that there's no way I could explain it, so why bite the bullet?

SENEY: But that was the kind of paranoia you brought back from the Grand Jury.

MADDY: Absolutely. The Grand Jury was frightening to me. They're nice, regular, all-American people, but that feeling they had about politicians was something that you've got to recognize.

SENEY: Versus the feeling they have about the FBI.

MADDY: Yes, absolutely. They were much prepared to -- and I think that's probably still true. If I was giving the ethics instructions over here, I would say that there's certain things that you should certainly keep separate. One is you don't talk campaign contributions and/or campaign assistance at the same time talk bills.

SENEY: I meant to ask you before when we were talking about Paul Carpenter, he had left the Senate and had been elected to the Board of Equalization

when all of this came about. What is your take on him trading a Senate seat for a Board of Equalization seat?

MADDY: You know, I can't remember why he went that route. I don't know whether term limits was pending or not. I was trying to put the timing together and I can't remember.

SENEY: But you don't have any--

MADDY: I don't have any knowledge.

SENEY: Or rumors. I don't mean for you to be plugging rumors to us but often there's a sense that people have.

MADDY: No, I don't have any real reason why.

He was very competent. You know, Paul was a very bright guy, a great poker player. Very confident at everything he did. In fact, he was famous for -- you know, at one point in time he was down on the floor and he made some motion up to the FBI, who were up in the balcony, something like, pointing to his head, "I'm not abstention. I'm not going to bite on this deal." He was very confident of what he could do and what he couldn't do.

The reality was that Montoya, and Robbins, and Carpenter all had relatively bad reputations on things in general. Nolan and Hill were looked upon as having got caught up in this leadership role they had to play, or that they were playing, and collecting money for that.

Frank [Hill] thought he was in better shape legally because that

money he did as an honorarium. He gave a speech. I thought the speech and the honorarium concept went over far worse as far as the Grand Jury was concerned. Because he put that money in his pocket. See, Nolan took ten grand and put it into a campaign fund and he never saw any of it. And so it was -- I never could find--

[End Tape 1, Side B]

[Begin Tape 2, Side A]

SENEY: Go ahead, Senator.

MADDY: I forgot where I was.

SENEY: You were talking about the money and the difference between what Pat Nolan took to put into his campaign funds--

MADDY: Oh yes. You know, I would have fallen. If they had sent me the money just without me knowing about it, if they had just sent \$10,000 to my treasurer at some point in that process, I don't think there's any doubt that they would have tried to prosecute me.

Now, the FBI would have had a little bit more trouble because they didn't have anything that linked me otherwise. They didn't have me on a tape. They didn't have something else to link me. But I can thank God every day that whatever happened that they didn't decide to send \$10,000, because that's all they had to do.

The way my process worked is that my treasurer would just receive the monies and deposit it. That was one of the ways that I had sort of

isolated myself. I didn't know who sent me money, under what circumstances they sent me the money, or why. Life went on, and obviously, depending on when they sent it, it could look real bad. I could vote "aye" on some highly controversial bill and get five grand the next morning. That would look like the devil. But I never worried about it; otherwise, you sit there and start trying to manipulate all this stuff and it becomes more complicated than it should be.

SENEY: You mentioned Carpenter's, and Montoya's, and Robbins' reputation. What kind of reputation did Clay Jackson, the lobbyist, have?

MADDY: Clay was always part of a group. My own personal opinion, I always thought Clay was his own worst enemy, because Clay always discussed and talked as if there was a huge conspiracy out there -- every one of these fights.

I did not see Clay a whole lot. I was not one of Clay's key guys in the sense that I spent a lot of time with him. In terms of the Campbell-Maddy relationship when we were leaders, Bill was much closer to him. When I got to be leader myself, he had to be there but I didn't deal with him very often.

But the long and short of it was he always sort of discussed everything as if there was a huge conspiracy; that there was "them" and "us." That this fight was not just over some dumb bill, which it really was. He'd almost speak out of the corner of his mouth and whisper as to

what was going on. You had the sort of a feeling, “What is Clay doing with all this stuff?” And then he was big money. I mean, there’s a lot of big money that flows out of that corner of insurance, and I’m not sure what else he carried.

So it was one that was easy to point the finger at him and say, “That’s a typical lobbyist.”

SENEY: You know, a couple of years after all this happened, there was an article in the *California Journal*¹ in which they said they didn’t think people had learned very much, that things had changed much as a result of the shrimp scam business.

Is that something you would agreed with?

MADDY: Well, unfortunately, I think what happened is that so many of the people that are around now were not around during the shrimp scam. I mean, there should be a little lesson, in my opinion, on ethics on some of the stuff that I’ve just discussed with you. I think somebody ought to sit down with all the new members and say, “Here are the kinds of things that the FBI are willing to do, and people are willing to do, in respect to your operation and how you conduct your business. Here’s a transcript. These are the questions that are being asked by average citizens who make up a grand jury in Sacramento County. Just listen to the questions they ask in

¹ Vol XXV, No. 8, August 1994, pp. 8-12.

respect to your job and what they think you're doing," and that ought to be part of a lesson plan. That should be part of what they hear. And then I think you could say there might be people who learn a little bit from this thing.

When you say "learned," if people are saying they didn't learn much, I think there was little, if any, theft and/or crookedness or corruption. I thought very, very little, if any. The kind of corruption, and extortion, and all that stuff that takes place is all very legal. The reality is, if the Governor can raise \$20 million in a short period of time, all coming out of the same major interests that are worried about what's coming out of Sacramento at this moment, whether it be the insurance or the health lobby, or whatever, I mean, how do people separate those two in terms of their thought process? I can tell you that I don't think that the Grand Jury did.

It is clear that if Clay Jackson was around in some form and he went to the Governor and said, "We're going to give \$1 million to you, and what we would like to have is a modest reform, and what you've got is you've got a Democrat reform and you've got a Republican reform, and here's what we call a middle-of-the-road modest reform that we'll take" -- in other words, we'll eat it -- "and that's going to be worth a million dollars to you, if you openly discuss that," I mean, that would be clearly something that would indict everyone and put them in

jail. I mean, the guy who offered the million dollars, the people who suggested it, the Governor who took it, and all the rest.

The difference between that versus what takes place, I would bet the Grand Jury cannot distinguish. Okay? I don't think the Grand Jury, when they hear exactly what took place, and how it took place, and why the Governor signed the bill that he signed versus not signing of the bills, and the fact that he received all that money, I don't think the Grand Jury that I listened to the one day would make any distinction between a hypothetical that I outlined, which was clear discussion, open bribery, any different than the partial. I think that's exactly how people view it.

So if the politicians are starting to think about this, or the Governor, or anybody else, what they're hanging their hat on -- what we do with our major fundraising events is make sure that there's not any absolute clear slip or any clear language that would connect the two. And you do it essentially not because there's a guarantee. The Governor is not guaranteeing anything. The million dollars you get no matter whether you vote "yes" or "no."

So there's a lot of distinctions there, but by and large, it comes down to the very same thing.

SENEY: How you present it to the Grand Jury, I suppose.

MADDY: How you present it to the Grand Jury and how they view it. You know, the Governor goes in and says, "I didn't tell them I was going to sign any

bill. They've known all along that I am moderate and that I'm going to take a moderate stance, and I don't think we should do this in its entirety. And what I ended up doing was signing a bill that is a middle-of-the-road bill on health care. The fact that the hospitals gave \$17 million," or \$3 million, whatever the hell they gave -- "that's their business. I was going to do what I did."

As I say, it's a very thin line, and that's why I think campaign reform and the whole idea of what the people are thinking about is mixed. The folks believe it's illegal. Clearly illegal. But I don't think they're prepared yet to pay for it themselves. It's hard to stomach, giving these guys the kind of money that they make.

SENEY: Say, public financing of elections?

MADDY: Yeah, right. I think most people would agree, why don't the television stations have an obligation to give it free? Why aren't the newspapers required to give "X" amount of footage free? Why are we required to pay for all this, when it ought to be donated as part of public service? If there's no money and no one is involved in financing the campaigns, then at least you won't be able to blame that. Number one, I don't think it changes anything. I don't think Gray Davis changed anything. He did exactly what he believed and said he was going to do to begin with when he got elected.

I think it's dangerous in the sense that, I think, this semi-corrupt FBI

-- I mean, when I call them "corrupt," corrupt in the sense that they believe they're corrupt on behalf of goodness -- but they can certainly set you up and send you down. And I think governors and legislators don't realize how much in jeopardy they are.

SENEY: Those are all the questions I have for you at this point. Anything else you want to say?

MADDY: No.

SENEY: I'll tell you what, maybe after we've both gone through the manuscript, if I can get you to make a note here or there may be something you might want to fill in.

MADDY: All right.

SENEY: And then we'll come back and talk for another half an hour at that point.

MADDY: Okay, at some point in time.

SENEY: Well, thank you, Senator. I really appreciate it.

MADDY: Good. Thank you.

[End Tape 2, Side A]

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