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Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

Government History Documentation Project
Ronald Reagan Gubernatorial Era

Donald Glenn Livingston

PROGRAM AND POLICY DEVELOPMENT IN
CONSUMER AFFAIRS AND THE GOVERNOR'S OFFICE

An Interview Conducted by
Gabrielle Morris
1982-1984

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DONALD L. LIVINGSTON

1986

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PREFACE

California government and politics from 1966 through 1974 are the focus of the Reagan Gubernatorial Era Series of the state Government History Documentation Project, conducted by the Regional Oral History Office of The Bancroft Library with the participation of the oral history programs at the Davis and Los Angeles campuses of the University of California, Claremont Graduate School, and California State University at Fullerton. This series of interviews carries forward studies of significant issues and processes in public administration begun by the Regional Oral History Office in 1969. In previous series, interviews with over 220 legislators, elected and appointed officials, and others active in public life during the governorships of Earl Warren, Goodwin Knight, and Edmund Brown, Sr., were completed and are now available to scholars.

The first unit in the Government History Documentation Project, the Earl Warren Series, produced interviews with Warren himself and others centered on key developments in politics and government administration at the state and county level, innovations in criminal justice, public health, and social welfare from 1925-1953. Interviews in the Knight-Brown Era continued the earlier inquiries into the nature of the governor's office and its relations with executive departments and the legislature, and explored the rapid social and economic changes in the years 1953-1966, as well as preserving Brown's own account of his extensive political career. Among the issues documented were the rise and fall of the Democratic party; establishment of the California Water Plan; election law changes, reapportionment and new political techniques; education and various social programs.

During Ronald Reagan's years as governor, important changes became evident in California government and politics. His administration marked an end to the progressive period which had provided the determining outlines of government organization and political strategy since 1910 and the beginning of a period of limits in state policy and programs, the extent of which is not yet clear. Interviews in this series deal with the efforts of the administration to increase government efficiency and economy and with organizational innovations designed to expand the management capability of the governor's office, as well as critical aspects of state health, education, welfare, conservation, and criminal justice programs. Legislative and executive department narrators provide their perspectives on these efforts and their impact on the continuing process of legislative and elective politics.

Work began on the Reagan Gubernatorial Era Series in 1979. Planning and research for this phase of the project were augmented by participation of other oral history programs with experience in public affairs. Additional advisors were selected to provide relevant background for identifying persons to be interviewed and understanding of issues to be documented. Project research files, developed by the Regional Oral History Office staff to provide a systematic background for questions, were updated to add personal, topical, and chronological data for the Reagan period to the existing base of information for 1925 through 1966, and to supplement research by participating programs as needed. Valuable, continuing assistance in preparing for interviews was provided by the Hoover Institution at Stanford University, which houses the Ronald Reagan Papers, and by the State Archives in Sacramento.

An effort was made to select a range of interviewees that would reflect the increase in government responsibilities and that would represent diverse points of view. In general, participating programs were contracted to conduct interviews on topics with which they have particular expertise, with persons presently located nearby. Each interview is identified as to the originating institution. Most interviewees have been queried on a limited number of topics with which they were personally connected; a few narrators with unusual breadth of experience have been asked to discuss a multiplicity of subjects. When possible, the interviews have traced the course of specific issues leading up to and resulting from events during the Reagan administration in order to develop a sense of the continuity and interrelationships that are a significant aspect of the government process.

Throughout Reagan's years as governor, there was considerable interest and speculation concerning his potential for the presidency; by the time interviewing for this project began in late 1980, he was indeed president. Project interviewers have attempted, where appropriate, to retrieve recollections of that contemporary concern as it operated in the governor's office. The intent of the present interviews, however, is to document the course of California government from 1967 to 1974, and Reagan's impact on it. While many interviewees frame their narratives of the Sacramento years in relation to goals and performance of Reagan's national administration, their comments often clarify aspects of the gubernatorial period that were not clear at the time. Like other historical documentation, these oral histories do not in themselves provide the complete record of the past. It is hoped that they offer firsthand experience of passions and personalities that have influenced significant events past and present.

The Reagan Gubernatorial Era Series was begun with funding from the California legislature via the office of the Secretary of State and continued through the generosity of various individual donors. Several memoirs have been funded in part by the California Women in Politics Project under a grant from the National Endowment for the Humanities, including a matching grant from the Rockefeller Foundation; by the Sierra Club Project also under a NEH grant; and by the privately funded Bay Area State and Regional Planning Project. This joint funding has enabled staff working with narrators and topics related to several projects to expand the scope and thoroughness of each individual interview involved by careful coordination of their work.

The Regional Oral History Office was established to tape record autobiographical interviews with persons significant in the history of California and the West. The Office is under the administrative direction of James D. Hart, Director of the Bancroft Library, and Willa Baum, head of the Office. Copies of all interviews in the series are available for research use in The Bancroft Library, UCLA Department of Special Collections, and the State Archives in Sacramento. Selected interviews are also available at other manuscript depositories.

July 1982
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Project Director

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On behalf of future scholars, the Regional Oral History Office wishes to thank those who have responded to the Office's request for funds to continue documentation of Ronald Reagan's years as governor of California. Donors to the project are listed below.

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INTERVIEW HISTORY

Donald Livingston's career path has taken him from community affairs activities in Oakland, California, to director of programs and policies for Ronald Reagan in Sacramento, where he was one of the governor's four top assistants. At the time of the interview, he was director of public affairs for Carter Hawley Hale Stores, Inc., a major national retailing organization. This interview with Livingston for the Reagan Gubernatorial Era Project is informative on the evolution of Reagan's cabinet and its relation to the governor's office per se and entertaining in its observations of state government personages.

Livingston recalls that he had to drag a reluctant governor to his first meeting with Willie Brown, the outspoken black Democratic chairman of the Assembly Ways and Means Committee (and later Speaker), in order to resolve key items in the budget. It turned out that the two men got along well together at that meeting, and later, upon occasion, Brown carried some of the governor's legislation, at Livingston's request. When Brown and Reagan were interested in similar bills, Livingston would suggest that "in a bipartisan fashion" they work together.

Livingston had learned the value of good personal relationships in his earlier government positions, as aide to Alameda County Assemblyman Don Mulford, described as "a bull-in-the-china-shop" person, and deputy from 1967-1969 to Department of Professional and Vocational Standards director Henry T. Shine, at whom "just about everybody got mad." In that position, Livingston doubled as troubleshooter for Agriculture Agency administrator Earl Coke, who was also secretary to the Reagan cabinet for a few months.* As cabinet secretary, Coke would have held preliminary agenda sessions with agency heads and established priorities for meetings, which must have been something of an anomaly for one who was himself a member of the cabinet.

Working with Coke brought Livingston in closer contact with Reagan's executive secretary, Edwin Meese, whom Livingston had first known in Alameda County when both were active in the moderate Republican Alliance. When the governor's office was reorganized in 1972, Meese asked Livingston to head the programs and policy unit, newly created to develop the governor's legislative initiatives and supervise relations with the legislature.

*See J. Earl Coke, Reminiscences on People and Change in California Agriculture, The Oral History Center, University of California, Davis, 1976.

By then, Livingston had replaced Shine and his successor, Leighton Hatch, as director of Professional and Vocational Standards and that department had been restructured as the Department of Consumer Affairs. It was a position in which Livingston would have liked to remain; he enjoyed the contact with the many trade associations and encouraged them to improve their industries' services to individuals, while resisting efforts to create additional state regulatory activities. Under Livingston's direction, a task force made recommendations to deal with fraudulent practices and a mechanism was set up to respond to consumer complaints.

Livingston accepted Meese's invitation, however, and joined the governor's staff. At the time he came aboard, the prevailing concern was to assure that Governor Reagan's administration "finished strong," both to ensure that the remaining two years of his term did not dwindle into ineffectiveness and to lay a base for his future activities. The possibility of the presidency was distinctly one of the future activities his aides had in mind.

As director of programs and policies, Livingston saw himself as the kind of administrator who kept a loose rein on his unit. He was comfortable delegating assignments and seeing the reports on them, but did not look over his assistants' shoulders into all the projects underway. He was known for challenging assumptions made by others in cabinet meetings. Upon occasion, when he had not commented on an issue, the governor would interrupt the discussion to ask Livingston's opinion.

In the interview, Livingston provides interesting comments on a number of major policy issues of 1972-1974, including several that did not turn out well from Reagan's point of view. Among them are the bill creating an energy commission, the tax-limitation initiative of 1973, and the education and local government task forces. The task forces presented the administration with the paradox of suggesting reform efforts to local units of government, when Reagan's philosophy favored not telling cities and counties what to do. The 1973 tax-limitation initiative Livingston and others felt was too complex as written to be understood by voters. And the Energy Commission is termed a disaster because the legislation was implemented by the succeeding governor, Democrat Jerry Brown.

Livingston's role in the finale of Reagan's governorship was to coordinate the transition to the incoming administration with Governor-elect Brown's aides. He comments briefly on the need to formalize what had often been contentious arrangements between earlier administrations, and has written an article on the 1974 experience for the California Journal which is included in the appendix to this volume.

Three interviews were recorded with Livingston in 1982 and 1984, scheduled as the interviewer was able to be in Los Angeles where Livingston was located. The sessions were held in his pleasant corner office at Carter Hawley Hale, and he asked that his calls be held so as not to interrupt the

discussion. He is an affable, medium-size, blond person and spoke easily, seeming to enjoy chatting about the events and issues suggested for discussion on the interview outline. The lightly edited transcript of the interviews was sent to him for review in October 1984. Due to the press of business, Livingston asked the interviewer to do the final review of the transcript for spelling, grammar, and elimination of repetitious or irrelevant phrases. Emendations were minor. In 1986, Livingston established his own consulting firm in Los Angeles, The Livingston Group.

Gabrielle Morris
Interviewer-Editor

March 1986
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BIOGRAPHICAL INFORMATION

(Please print or write clearly)

Your full name Donald Glenn Livingston
 Date of birth 2-2-38 Place of birth Oakland, CA
 Father's full name George Morgan Livingston
 Birthplace Sacramento, CA
 Occupation Retired
 Mother's full name Doris Irene Livingston
 Birthplace Oakland, CA
 Occupation Homemaker
 Where did you grow up? Oakland
 Present community Los Angeles
 Education A.B. Urban Studies S.F. State Univ.
Coro Graduate Fellowship in Public Affairs
 Present Occupation(s) President - The Livingston Group
1975-36 vice President - Carter Hawley Hale Stores
1967-1975 - Reagan Administration
 Special interests or activities ① member - Bd. of Governors - Performing Arts Council - LA Music Center
② ~~Trustee~~ Trustee, California State University
③ Bd of Dir. - Los Angeles Chamber of Commerce

I PERSONAL BACKGROUND

[Date of Interview: September 30, 1982]##

Coro Foundation, Kaiser Aluminum, Oakland
Planning Commission

Morris: Let's start with: are you a Californian?

Livingston: A third-generation Californian; Oakland. I lived in Oakland. I knew Ed Meese before either of us got involved with Ronald Reagan.

Morris: Are you part of the Livingston department store family?

Livingston: No, no. I know them, but we discovered we are not relatives.

I went to San Francisco State and was very active in student government. I guess that is really where I got my-- I did it in high school, and in college I ended up being student vice president. Then I was introduced by one of my professors to the Coro Foundation program. So I was selected to be a fellow in 1960-61, in San Francisco.

Morris: Had you majored in--?

Livingston: In urban studies. My thoughts in those days were that I wouldn't mind being a city manager, because I was very interested in urban planning and city management. Obviously, I have changed a bit since then.

##This symbol indicates the start of a new tape or tape segment. For a guide to the tapes see page 86.

Livingston: During the Coro experience, as a matter of fact, I did a study on the future of the downtown Oakland central business district. It was an individual project that I had, and I got very well acquainted with John Reading, who was running for mayor against a three-term incumbent by the name of John Houlihan. I liked him, and so I said to him that I had some spare time and would be happy to help him on his campaign. He was quite shocked by that because he said, "Nobody ever asked. I always had to ask them to be helpful to me."

I did some research work for him that he used in the debates and in some speeches about the decline of Oakland relative to the suburbs and the fact that--some of the industrial growth figures. He won, and after he won, he was very kind to me. He asked me to come to his inauguration.

I was just a little whippersnapper, twenty-one or two. I had gone to work for Kaiser Aluminum in Oakland in an entrance-level position, which had some relationship to the government. We did bidding to the government on various aluminum products.

Morris: That would be the federal government primarily?

Livingston: Yes, primarily federal. We bid some to states where they made license plates out of aluminum, but primarily it was the federal Defense Department.

Morris: Was this a junior executive training program?

Livingston: It was really basically just an entrance-level position. It was a little higher, I guess, than normal, but basically it was a start at what I, at that time, decided would be a business career.

Morris: Why had you shifted from shooting for a city-manager spot?

Livingston: During the Coro experience, I kind of made a decision that really my first love was business. I thought that I probably could be active in the community but still be in business, and that was basically why I did what I did. I was barely there and the mayor called me up one day, and it happened that my boss was sitting in my office when he called. He, of course, didn't believe the mayor was actually calling me. The mayor said, "Are you still a big executive over there at Kaiser? I said, "Yes," and kind of laughed about it.

Livingston: He said, "I know you've probably been reading the paper. We've just created a"--what they called an offstreet parking commission. It was a parking authority to build parking lots in some of the residential and small commercial areas in downtown, and he said, "I'd like to put you on that commission." I said, "Gee, that's very nice."

So I had to ask permission, and, of course, they didn't know quite what to do with somebody in their first year with Kaiser. They paid vice-presidents to be involved in the community, but not entry level types, so it took them a while to agree. Then they finally said, "If the mayor wants him, we might as well say yes."

So I went on that, and I was there for six months, and then I got another call from him. He said, "How do you like the Offstreet Parking Commission?"

I said, "I'm enjoying it very much." He said, "That's a shame, because I have got another assignment for you, or I'm going to fire you!"

I said, "Why?" He said, "I've got an opening on the planning commission. I hear you've done a good job on parking, and I think you would be perfect for that."

At that time--now, of course, with the eighteen-year-old vote and all of that, it's changed--but at that time, when he appointed me to the planning commission, I was the youngest commissioner in the state. I was about twenty-three years old. I really enjoyed that very much.

Morris: The planning commission is usually a pretty significant role.

Livingston: It's a very important commission in any city, and it was in Oakland. I served on that for three years, was vice-chairman of the commission. Then in '64, I really wanted to move into that area of the company, because they were very community-minded.

Morris: The Kaiser public affairs unit?

Livingston: Right. They really didn't have what they called public affairs in those days. They called it public relations, but they did community activities and so forth. I interviewed, and it was sort of a pat on the head and "we'll think of you some day." I have talked to a lot of my former friends there since; they feel they made a mistake. I did, too, because I really would have been content if I had moved there.

Goldwater Campaign: Legislative Aide

Livingston: But then a friend of mine got very active in the Rockefeller for President campaign in 1964.

Morris: Who would that have been?

Livingston: Jim Price; he was an aide to the mayor of Oakland later, and was with HUD in San Francisco. Now he is a developer.

He was active in that campaign, and said, "Why don't you take a leave of absence and work on the Rockefeller campaign?" --a paid position. Spencer-Roberts ran that campaign. I asked for a leave to do that, primarily because I was antsy, and kind of interested. Philosophically, I hadn't developed my own philosophy of whether I was a Goldwater or a Rockefeller Republican. Remember how everybody got so angry at each other?

Morris: Yes, they did.

Livingston: I wasn't really fully developed. I had read Barry Goldwater's Conscience of a Conservative. In fact, I had given it to about twenty people, that paperback, because I liked what he had to say. But, I mean, my heart didn't beat any faster for him than it did for Rockefeller, but it was an opportunity.

Morris: Do you mean antsy also at Kaiser?

Livingston: Yes, I was very antsy to do something. So I got an unpaid leave, and I was assigned the responsibility for San Mateo and Santa Clara counties. I met an awful lot of officeholders, of course George Milias, who has since passed away, was an assemblyman down there for Gilroy and was very active on behalf of Rockefeller.

Although he lost the primary, we were successful in winning those two counties that I was responsible for, so I got a great deal of satisfaction out of that. I really felt that it was going to go a little further. I think I took like a 90-day leave, but I thought if he got nominated it would be all the way to November, but he didn't. Then I decided not to go back to Kaiser. My wife and I had no family at that time, and she was working, so I thought, I think I'll just choose not to go back.

A friend of mine, who had been a developer in Oakland, knew of my activities on the planning commission, and said he was developing a project in San Francisco. There was no conflict,

Livingston: and would I, on a sort of temporary basis, since I was kind of at will, help him get that through the San Francisco Planning Commission? It was North Point--I don't know if you know that--in San Francisco. He took over the Simmons mattress factory and developed it into apartments and offices and some commercial.

So I did that with him--that was Gerson Bakar, you've probably heard of him--and worked with him on that. Then I worked on his Woodlake project, some of the public relations to get that open down in San Mateo. We're now in February of '65.

Morris: You didn't go on from the Rockefeller primary into the Republican fall campaign?

Livingston: No, because Rockefeller lost, and I worked for Rockefeller, and then I just kind of dropped out of that.

Morris: You didn't continue on?

Livingston: No. I went to the convention, of course, but no, I didn't have any opportunity, frankly. They were not very friendly, so that they weren't looking to hire Rockefeller people on the Goldwater campaign. [laughs]

Morris: I thought that Bill Knowland--?

Livingston: Right. Incidentally, that's where I first met Mike Deaver. Mike and I loved to kid about the first time that we met. He was the executive director of the Santa Clara County Republican Central Committee, and I, of course, had the Rockefeller campaign, and I kept discovering that while he was supposed to be neutral, being an employee of the Republican party, he was very much for Goldwater, and I kept catching him. So our first contacts were all me accusing him either directly or indirectly of not being neutral. We still kind of laugh about that to this day, because we have become very good friends.

Morris: Did you know Bill Knowland at all?

Livingston: Oh, yes, I worked for the Oakland Tribune when I went to college. I should have told you that. That's where my wife and I met. We were both copy boys.

I knew the Knowland family, and so did my wife. In fact, the only way you could get a job as a copy boy was to know somebody there, in those days.

Morris: He is reputed to have tried to bring the Goldwater and Rockefeller people together in California, so that the Republican party--

Livingston: Yes, I think he tried, and with not a great deal of success. He didn't have any trouble with me because, again, I went for Goldwater. I voted for him in November. I was not unhappy with him like a lot of people were. But there were a lot of disaffections, a lot of people went for Johnson--whether they publicly did, they voted that way, obviously, because it was a landslide.

About February of '65, my own assemblyman, Don Mulford, had fired his seventy-fifth administrative assistant. He had maybe one every six months, and this same friend of mine, Jim Price, who was closer to Mulford than I was--I knew him--said, "You really ought to do this. With your capabilities and your personality, you can get along with Don Mulford."

Morris: Was he difficult to get along with?

Livingston: Oh, very: a redhead, a fiery temper, a bull-in-a-china-shop sort of attitude, hated the university even though he represented them. It was just student riots and--but warm-hearted also. I am not saying all of the negatives. But anyway, I was titillated with the idea, because what he wanted was a position not as his assistant, but assistant to the minority caucus chairman, which was his title. This meant that while the legislature was in session, I had a small little apartment in Sacramento and was up there Monday, Tuesday, and Wednesday nights. In the old days, they only worked until Thursday afternoon and then went home to their districts on Friday, so I was really home more than I was in Sacramento. I traveled with him to Sacramento and did work for him. I lasted longer than anybody in history. I was with Mulford for two years.

When Reagan was elected, a lot of people that I knew from the Rockefeller campaign, the Spencer-Roberts people, were involved. They said, "There are lots of opportunities in the administration." I very much wanted to do that. I had learned a lot about the legislative process, and thought that I could be helpful to the governor in some capacity, so I let it be known to them that I was interested.

Mulford was a nice guy, but the trouble was that he was one of these guys who went crying. He said, "Oh, you can't take him. I need him so badly. He is the only one that has ever worked out for me." So he really blocked me from

Livingston: consideration, and I didn't know it. I wondered why all of a sudden, after they were saying, "Hey"--they even wanted me to help on the transition at the beginning of the administration--and then they backed away from that. I thought, "What happened here?"

Contacts with the Reagan 1966-67 Transition; Republican Alliance

Livingston: Then Bob Monagan, who was the minority leader, clued me in. As soon as I discovered it, I just resigned. I just walked in to Don and I said, "I'll tell you what. Since working for you is an impediment to any future role I might play in the government, I resign."

He said, "I didn't mean to do that." I said, "I'll tell you, that's how strongly I feel about it. I've been loyal to you, and I think you ought to allow me the flexibility to be considered for other opportunities." So, frankly, I was angry for a long time. But then I went into the administration.

Morris: Who had talked to you about coming into the administration?

Livingston: Oh, gee, several people--Ed, of course, whom I knew from Alameda County, who first went in as legal affairs secretary; Spencer-Roberts, I think Stu. Bob Monagan was not in the administration, obviously. He was minority leader, but he thought I should do that. I am trying to think who else.

Morris: Did you meet Phil Battaglia at all?

Livingston: I met him. I met him during the transition in the early days. His assistant, Sandy Quinn, I knew, and Sandy also encouraged me to join the administration.

Morris: Let's go back a minute, and tell me when you and Ed Meese met. You have known each other growing up?

Livingston: No, no, we really knew each other about college, and graduate school for me, and, of course, he was in the DA's office. We had mutual friends. John Vukasin is a very good friend of Ed's, and he was at that time. When I was involved in Oakland activities, I think he was on the port commission, and then he moved to the city council. We had enough mutual friends that we kind of came into contact with each other in those days, so it was more of a peripheral--we were not good friends during that period, but we knew each other.

Morris: I was wondering if you might have both been involved in the Young Republicans?

Livingston: No, I was never involved in that. He was never involved, I don't think. I was involved in an organization called the Republican Alliance in the Bay Area. I suppose it is still around. Cap Weinberger, John Vukasin, John Busterud--a whole bunch of what I would call Republican moderates. They weren't really that--there were not very many conservatives in the Alliance, but it was young businessmen. It was kind of like the Junior Chamber of Commerce of the Republican Party in the Bay Area. They would have luncheons. I got involved in that, and I think that's where I had exposure to a lot of the Republican businessmen. I don't recall. I don't think Ed was a member of that, because he was in a nonpartisan office, in the DA's office, and he was not a political guy.

Now, Don Mulford takes credit for introducing Ed to the governor and getting him started. I don't know whether that is correct or not. I mean, I think Ed, in his own right, was pretty well thought of, but for the legal affairs job, Mulford takes a lot of credit. I didn't ever really ask Ed the question as to whether or not Don had a lot to do with suggesting that Ed be considered for that position. Don said, either to the governor or to the committee--I know he strongly recommended him. I don't know whether the idea came from him initially. It may very well have happened that way.

II IN THE AGRICULTURE AND SERVICES AGENCY

Department of Professional and Vocational Standards

Livingston: So I started in the administration, started first with--I notice you have the registry of ships [Yacht and Ship Brokers Commission]. That's the first job I had. It's a hilarious title. Herb Caen had a lot of fun when it was announced. Then I was chief of the Bureau of Furniture and Bedding Inspection in the Department of Professional and Vocational Standards. It was a governor's appointment, and I did that [laughs]. I changed the name of it about a year later to what it is now. It is called the Bureau of Home Furnishings.

What they do is all these little labels on the sofas, they make sure that what is in here is what people say is in here--on your pillows or mattresses and so forth. It is a truth in advertising kind of a bureau, funded by the industry, because the industry had to pay fees, and they were licensed, in effect, by the state. There was no test. If you wanted to sell these products, you had to be licensed--and retailers, incidentally. That was the beginning of the connection of why I am where I am today, because I dealt with the California Retailers' Association on some problems in that bureau.

Morris: Did you feel that gave you much scope for your interests in government?

Livingston: I'll tell you, I took the position because I felt that if I was good enough in the administration, that there was a lot of upward mobility. It was a better job financially than what I was doing with Mulford, even though that sounds funny as a bureau chief. It was not that bad. As I kidded Mike in those days, we were sacrificed in the public sector, but not really. The young ones of us were making as much money as we had ever made, and perhaps a little more. That's not true today, with Ed and Mike and these people. They are really hurting financially because they are sacrificing now.

Morris: The curves have intersected in the private sector?

Livingston: Yes, very much so. We were still in our twenties then. So I did that.

Henry Shine was the director of Professional and Vocational Standards, a wonderful man. For a while there, it seemed like all I would work for were bulls in china shops, because he was a crazy man. He just got everybody mad at him. But he kept trying to enhance my role in the department, so he would keep finding all of these little jobs that were part-time jobs, and then added them on. That's why the yacht and ship brokers--

Morris: That's what survived in Molly [Sturges Tuthill's] records, the yacht and ship brokers.

Livingston: Oh, really, not the furniture and bedding?

Morris: Right.

Livingston: Because at one point then, I had three, I think. I had the television repair bureau, and the one that regulated employment agencies. So he then changed my title to chief of consumer services in the department, and I had, in effect--I ran all of those and then I had a deputy chief for each of those.

Morris: On the spot in each one?

Livingston: Yes, he really wanted me to have enough responsibility there. Also, he discovered very quickly that I had legislative abilities, so I very soon--I can't give you the date--within six months of my beginning in the department, I began representing the department across the street, in the legislature, on our budget and so forth, because he was not well-liked by a lot of people.

Morris: Had Henry been there for a while?

Livingston: He was initially appointed by Reagan. The thing is, there was a vague--I don't know how much detail you want--there was a vague report by what they call the Little Hoover Commission [Commission on State Government Organization] on that department which was significantly critical to it, saying we've got to reorganize it, and a whole list of things that were very critical. The people who had been there for a long time were furious at this report. Henry embraced it.

He said, "Absolutely, this is where we start. We start by agreeing with everything they said, and try to implement it." Everybody got mad at him in the department, because they had

Livingston: vested interests. The report wanted to merge departments, they wanted to eliminate some bureaus in the thing, and straighten it out. He adopted that, and then he got them all mad at him. He had the barbers mad at him, and the cosmetologists, and you name it. But I began then to represent him in the legislature.

Morris: How does the Little Hoover Commission differ from the task force on efficiency and cost control?

Livingston: The task force, the one that Reagan put together, was all his own people. This Little Hoover Commission has representation by the senate, the assembly, and the executive branch.

Morris: Right, and Caspar Weinberger was chairman of it.

Livingston: Caspar Weinberger became the chairman of it, but the thing is, the report that they were doing on Professional and Vocational Standards had begun in the previous administration. It was announced, in effect, in the early days of the Reagan administration.

There were some changes in the commission. Some of them served at the pleasure of the governor, like Cap, who replaced whoever was the chairman at that time. But it still is very politically balanced. You can't have any more than one more than any one of the parties. Usually the governor has five appointments. The assembly and the senate have four each, so two would be Democrats, two would be Republicans, from the assembly and the senate. Then the governor's appointees, if it is a Republican governor, there would be three Republicans, and two Democrats that you would have to appoint by law, because they tried to keep it out of partisan politics, tried to balance it as well as they could.

What happened is, when Cap became chairman of it, he inherited an ongoing study. I think he had an impact on it, and even changed it, because I think he used some of the task force thoughts and ideas--

Morris: Fed back into--?

Livingston: Fed back into the Little Hoover Commission, and then they came up with this report. The great thing about it is, if you are a guy like Henry Shine, who does want to shake things up, you then have a document given to you by the outside saying, "These are all the things that are wrong."

There are ways to do that, and there are ways to do that [laughter]. He just got everybody upset with him, but I still like the guy to this day. He is just a fabulous guy. In fact,

Livingston: he would be an interesting guy to chat with. He is with the California Bankers Association. He is the executive director. I may have his title wrong, but he is kind of the top administrator for them in San Francisco. He went on to serve in the Nixon administration after a while.

In fact, some people were glad to be rid of him. He caused the governor lots of problems, because his personality was a sandpapery personality to a lot of people. But I like him very much, and still see him every once in a while. I saw him about three weeks ago, in Washington, as a matter of fact. The bankers were there, and he and I were in the same hotel.

He gave me these assignments, and he gave me visibility. I came to the attention of Earl Coke, who was the secretary of Agriculture and Services.

Agency Troubleshooter

Morris: Coke had been around governmental things a long time, hadn't he?

Livingston: Yes, I can't remember. He had served in the Department of Agriculture in the Eisenhower administration, and then he was, for years, with the Bank of America. I think he was with some--

Morris: In what, agricultural loans or something like that?

Livingston: Yes, in that area, but at one point he worked--and I am going to screw up what company. I don't know if it was Del Monte, or S&W, or one of those. He was totally--his whole career was agribusiness, but primarily from the management side of the business. He was never a farmer, that I was aware of. In other words, the family was never in the farming business, but his expertise in the bank was agriculture.

Morris: I think he had been involved also with the Farm Bureau, and things like that.

Livingston: Absolutely, absolutely. So he was cabinet secretary for that area. A deputy of his left, and he asked me to become his deputy secretary. So I went from--it was very confusing, because I had so many jobs there. I went to be deputy secretary of agricultural services.

Livingston: While I was there, Henry Shine left and Leighton Hatch came in as director, and we implemented a major reorganization of Professional and Vocational Standards.* It became the Department of Consumer Affairs, and it was a significant change in direction for the department. It became very consumer-oriented, and a lot of those were my ideas. Leighton did not work out. Leighton was there--I want to say a year. Whereas Henry was abrasive and strong, Leighton was a little pussycat. He let people run over him. A wonderful guy; the governor made him a judge.

But I ended up being a troubleshooter, very frankly, because Earl Coke had a problem in General Services. That's why I was deputy director of General Services. In fact, I am on the wall in the building of General Services, if you can believe. They have pictures of all of their directors. I was director for a month, because the director left and I was chief deputy director, and Coke just said, "Look, we don't know who we are going to make director. We'll make you director."

Morris: Okay, that's why we can't find it. We've tracked through all of the telephone directories.

Livingston: I don't even remember what month it was.

Morris: It was some time in 1970, we believe.

Livingston: He just sent me over there to be a chief deputy director of that, because he was concerned about that department and that it was a horrible bureaucracy, and I ended up being a troubleshooter. He said, "Look, I'd like to have you go over there. I will, in effect, save--" He and I were both thinking I could still be his deputy secretary and be that, but I couldn't do both.

Director of Consumer Affairs;
1970 Election Issue

Livingston: So then when Hatch left, he knew that I had done a lot to create the Department of Consumer Affairs--most of the thinking behind it and the planning and the legislative activity--so obviously I was an automatic candidate for director of Consumer Affairs. So then he moved me back to Consumer Affairs. That was in 1971. I know I was there when the governor was running for re-election, and I was there--

*See "Truth in Packaging...Consumer Affairs," California Journal, June-July, 1972.

Morris: You were in Consumer Affairs?

Livingston: I was there almost a year to the day, when Ed Meese called me up. I loved it. I mean, I want to tell you, I wanted to stay the rest of the governor's term as director. I loved the job, I loved the interaction.

Morris: Could you tell me a little about this evolution in the Consumer Affairs philosophy? My understanding was that Governor Reagan didn't really like the direction that Consumer Affairs was going under Pat Brown. He had had a woman named Helen Nelson, who was his Consumer Affairs--

Livingston: Yes, and Reagan had Kay Valory. Reagan--and I agree totally with his philosophy--believed that government ought to regulate only those things that are necessary to be regulated, and there was a lot in Consumer Affairs that was called self-regulation. The industries kind of banded together, and went to the legislature, and said (like engineers who went to the legislature), "We've got to register engineers." It was mainly to keep competition down.

A lot of them, like barbers, my attitude about the barber board is--and the trouble was Henry kept saying this publicly--is that you don't need to have a state barber board. If you don't like your barber--in the old days, when there used to be bleeders, fine. There is an historical reason to do it, but now a barber is a barber. If he does something wrong, you can go to small claims court, you can sue him if he dyes your hair wrong. I mean, the point is, public health and safety was very much an issue. Reagan felt that the government ought to do those things, and the argument--

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Morris: In that sense, is it that the people in the profession want some protection from others?

Livingston: Yes, from others in their profession, and they wanted the government to do it for them. So Reagan, I think, got a bad rap on that. It wasn't that he was opposed to consumer protection, because he signed the most significant consumer legislation. I mean, it was a big argument in the cabinet, and Ed was on the other side of me, I remember, at the time.

I felt very strongly that we have a television repair statute to keep fraudulent practices out if somebody repairs your TV set. Now, there is a state agency. Maybe it could be done privately; maybe there is some way to do it better than it's being done now, but it's done very cheaply. The point is, it has eliminated fraudulent practices in that area. I pushed through the one to have auto repair do the same.

Morris: Right. Is that the one there is a cabinet controversy on?

Livingston: Yes, and I won. I mean, I'll tell you, it was a knockdown-dragout, because everyone was accusing me of trying to expand government and so forth, and I said, "Look, the governor gave me a year to clean up their act. We have all of these examples of fraudulent practices. They will not self-regulate. They don't know how, they don't have the gumption." I had to go see Holmes Tuttle; he was livid that we would sign such legislation. But the point is, Holmes to this day will say, "It wasn't a bad idea. We should have probably done that."

Morris: Were people coming to him?

Livingston: Oh, yes, complaining. Everybody was. I'll tell you, of all the things that I did legislatively, that's one that I am most proud of, and the governor, God bless him, understood that even though he was not in favor of expanding bureaucracy, something had to be done. The complaints were immense. The biggest number of complaints the Department of Consumer Affairs had was auto repair, which we didn't have anything to do with.

Morris: Because that did not exist at that time?

Livingston: That's right. It still is, probably, number one. Now the big controversy is whether or not you expand those bureaus and make them register people. Then that gets into the professionalism. Do you make an auto mechanic a registered auto mechanic? I'm not in favor of that. I was in favor of eliminating fraud from the marketplace, and I think we did a good job in that area. The biggest problem most people complain about in auto repair now is incompetence, rather than fraudulent practice, and I am not in favor of the government getting into that. That will mean that you will have another barber board, where they all have to pass a test on just how to change oil, and so forth.

I'm not in favor of that, but what I am trying to indicate is that during that period when I was in Consumer Affairs, we set up a consumer complaint mechanism. We put out a publication. What we tried to do was let people know what was available. We weren't saying, like Helen Nelson and the Pat Brown philosophy, give us your problems and we will create some government agency to solve it. I said, "There is enough government. People just don't know about it."

They don't know. We promoted the Better Business Bureaus. I worked a lot with industries, to have them do voluntary programs and let people know how to complain. We had conferences on how do you complain about something if something is wrong, using existing mechanisms.

Morris: Out in the community?

Livingston: Yes.

Morris: How did those work?

Livingston: Fabulous. We had a consumer fraud task force that we did because we felt that people were concerned about various things in the fraudulent practice area, but always the first answer is not to have government be the solver of the problem. I was controversial in that role, because I kept saying that there is enough government to solve your problem; it's just that you don't know how to do it, and we're going to try and help you understand how to do it.

We got the small claims court judgement from five hundred dollars to a thousand through legislation, that because of inflation. Five hundred, of course, for many consumer complaints was not enough. We had seminars on how to use small claims. We put a brochure out, and went on television and told people about it, did commercials.

The main thing, our whole approach in that year was to say, "You've got just about everything covered. We've got the best consumer protection laws in the country in California, in the counties, and in the cities; the people that are concerned need to use it." Now, the consumer activists didn't like this at all. I mean, they thought, "My god, they keep saying how good things are, and we want more laws to do things"--because they were anti-business. The consumer movement is basically supported by organized labor.

Morris: Why is that?

Livingston: Oh, I think part of it is a do-gooder thing, and the other part of it is that it is an anti-business kind of thing. To make business look bad helps labor, I guess, in terms of their own enhancement with the general public, or people that they are going to ask--

Morris: Did you have any union people on some of these--?

Livingston: Yes. In fact, I got along very well with the union people. They didn't like me--I mean, they didn't like my philosophy--but they understood where I was coming from, and knew that I wasn't going to be pushed around by them. The trouble was that a lot of other people had, in the past.

Morris: Did Kay Valory continue to take an interest in what you were doing? I am not quite clear on what her position was.

Livingston: She took the position that the lady before had. It was the Consumer Counsel, or something like that, but it was silly business. I mean, Kay, for one, didn't know anything about it. Now she, I guess, fashions herself as some kind of a consumer expert. She diletantted, very frankly. I mean, I like Kay, but I mean--

Morris: I wondered if some of it was a concern that there ought to be some women visible in the administration?

Livingston: Yes, she was a very good campaign trooper. I am being very candid with you. She was totally a campaign trooper. They had a woman in there. They thought she would be safe in this job. She was very safe. She was so safe she didn't do anything, and she became an issue. She hurt him in the re-election in '70 because she did nothing, and they said it was a waste, we ought to eliminate the job if you are going to have somebody just sitting there doing nothing in the job.

I then countered that by--I said, "The Consumer Counsel is to think about and research those issues, and bring them to the governor's attention. Kay does a fabulous job of doing that. She doesn't have any regulatory powers. I have got the regulatory powers. If you want to talk about consumer protection, talk about it to me." And we did. In the election, we turned that around. I was, in effect, going around the state campaigning for Reagan, but saying, "Wait a minute, he is getting a bum rap here. Kay Valory's job--here is the job description. She is doing a hell of a job doing what she is asked to do by the law."

I have to say that I had to say a lot of that tongue-in-cheek, because she wasn't doing a very good job. She was an embarrassment, but they couldn't do anything about it because she was very well-connected with the Republican women's clubs; she was a visible woman. It's just that she was a mistake. She could have done a few things better and taken a lot of the heat off of him; I ended up having to do that.

Morris: Troubleshoot in the political aspect?

Livingston: Yes, but as I say, I loved that job very much.

Morris: There was a period when Earl Coke was secretary to the cabinet as well as being head of the Agriculture and Services Agency?

Livingston: I think I was in Consumer Affairs at that time.

Morris: But it sounds like you had contact with the cabinet meetings. Did you go as director of Consumer Affairs?

Livingston: No, I went when I was his deputy secretary. He loved to have me there and I think, frankly, he took me to a lot of cabinet meetings, I guess, when I was director as sort of--I can't really remember exactly, but I know I had like five years of experience with the cabinet.

Morris: Coming as an agency and department person?

Livingston: Yes.

Morris: Would he have liked you there because you knew Ed Meese and some of those other people?

Livingston: No, I think he liked me there just as back-up to him. I mean we had a very good relationship during that period. I am a little vague about why, but it seemed to me I was kind of accepted there because I was there initially as his deputy, which is appropriate. All of the deputy secretaries were in the cabinet meetings, and I was very comfortable there as director of Consumer Affairs.

III IN THE GOVERNOR'S OFFICE, 1971-1974

Loyalty to Ronald Reagan

Livingston: The point that I was getting to is that I was only in Consumer Affairs a year and then Ed called me and he said, "The governor wants you to take George Steffes's job." George was the assistant to the governor and director of programs and policy and left to become a lobbyist after the election. I don't remember exactly the date of it.

I said, "Oh, Ed, I really like doing what I am doing." He said, "Look, you are the best legislative guy we've got. You have got to supervise the legislative function and do the Office of Planning and Research and all of that stuff. You are perfect for it."

I'll tell you, I was very reluctant. I mean, Deaver talked to me and then, as I said to my friends during that time, "The governor made me an offer I couldn't refuse." I mean, it was basically, "Are you loyal? We need you, you've got to do it." So I did. I drove a little bit of a hard bargain because I was actually going to take a perk cut, if you understand what I am saying. I had a car as director of Consumer Affairs. We had sold ours, so we had one car in the family and I had the company car, in effect, as director of Consumer Affairs. I said, "I can't afford to now go out and buy a car. In other words, I will lose money if I go into the governor's office." Then I got them to change the policies so that the three assistants to the governor had the ability to have a car. I mean Deaver at first said, "I don't need it, I'll take my bike"--silly business. He ended up having one.

Morris: Did Deaver ride a bicycle around Sacramento?

Livingston: Yes, because he lived on Thirty-eighth Street. He wasn't that far. I'm trying to think if he ever really had a car. Ed was all in favor of that, because he had one with ninety-six aerals

Livingston: on the back. He was the only person you could call on his car radio and he would be on the other line! [laughter] "Excuse me, Don, I will be with you in a second. I have to finish a call on the other line."

Morris: This is left over from his districe attorney's office days?

Livingston: Oh, his gadgets, all kinds of gadgets. Flo Randolph and I would kid that he would leave the office and just as he was driving out, just as the aerial got out of the capitol garage, he would be calling her--just loved it! Anyway, I had a car, and it seems to me like there was some other perk that meant something to me.

I was kind of pleased with myself at the time--I kind of drove a little bit of a hard bargain. I said, "Okay, you want me for this." Oh, I know, I asked for a particular person to be brought with me.

Morris: Your deputy?

Livingston: Yes, Tim Cole, who was in the Department of Consumer Affairs. I had used him effectively in the legislative area, and I asked that he come over. So he was sort of part of the package.

Mrs. Livingston Joins the Administration

Morris: By this time, was your wife also in Sacramento? You had gone up for a short term.

Livingston: Yes, she came up at the end of '65. She was a reporter for the Oakland Tribune and when she came up, gave that up.

Morris: She would have worked with Ed Salzman then at the Oakland Tribune.

Livingston: Yes, right. She was a very well-thought-of reporter, gave that up, and came to Sacramento and didn't work. That's a funny story, too. I don't know if you are aware of that, Molly may have told you. When I was director of Consumer Affairs, she had been there about three years, and we were trying to have a family and were not successful and she was bored.

She said, "I would like to go and do something." She said it vaguely and then about a month later, she said, "Sit down, you've got to hear this one." I said, "What?"

She said, "Remember I told you I was thinking of doing something? I went down to an employment agency, and they told me about a job. They tell you generally until you sign on the

Livingston: dotted line and then they will tell you specifically because you give up so much of your salary."

Morris: For a fee, yes.

Livingston: She said, "They said, 'Gee, with your qualifications, we have the perfect job for you. It's answering correspondence for a downtown executive.'" She said, "I have the writing ability. I think I could do that." So then she signs the contract and the contact is Mike Deaver and it is to be in the correspondence unit of the governor's office! She came home and she said, "I am so embarrassed. I have an appointment tomorrow with Mike Deaver."

They gave her her surprise thirtieth birthday party in their garden and we were very good [friends]--we played bridge together. She said, "I am so embarrassed!" I said, "That's ridiculous, but if they need you--Why don't we call him?"

So I called him at home that night and I said, "You have an appointment tomorrow with a young lady for a job in the correspondence unit." He said, "How do you know that?" He didn't know what the name was. He said, "How do you know that?" I said, "The lady happens to be Dodie."

He said, "Oh, my god, I wish I had thought of that! She'd be perfect for the job." I said, "But wait a minute, she's signed up with this--" He said, "Let's cancel that out. I don't want her having to pay extra money for it. We'll just say it was my idea."

I said, "No, no, no, no, I would rather do it this way because nobody then could say it was patronage. I am a director of a department and now you are hiring another Livingston in the governor's office. Is this going to be any kind of a problem for you, having two of us in the same administration?" He said, "Let me think about it overnight. I don't think so. I don't think it will be any problem at all."

So when I came into the governor's office, Dodie was in the correspondence unit--and that was also part of the negotiations--and I said, "I think it's going to look bad, both of us working for the governor. It is going to look like you are double-dipping or something"--somewhat I was concerned about outside criticism. Mike said, "Oh, don't worry about it."

About two weeks later he came, and he said, "I've been thinking about it, it does cause a little bit of a problem having both of you on the payroll of the governor and perhaps we should do something. But we like Dodie so much and she is doing such an

Livingston: effective job that we don't want to have her leave." So they created a position in the Department of Finance for correspondence, so she handled all of Verne Orr's correspondence and [laughs] helped out in the governor's office, too, but the point was she was on another payroll. So she was no longer on the governor's office payroll when I was in the governor's office.

Now, of course, as you may know, she is in the White House, doing correspondence. She heads the executive correspondence--not the mailgrams and that big bulk stuff--and does messages and all that. She has a staff of about seven or eight people.

Morris: That shows you what good letter-writing can do for you!

Livingston: I am going to have to call it off.

Morris: Thank you very much. I think we made a good start.

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Issues Development and Legislative Program

[Date of Interview: December 1, 1982]##

Livingston: Okay, you may start wherever you want to.

Morris: All right. Last time we talked we had just about gotten you into the governor's office, and you were assistant to the governor for programs and policies. We didn't really get into how the governor and Ed Meese, who was then executive secretary, how they saw this office operating.

Livingston: The way we organized the office--and I participated in some of that although Ed was really the creator of the organization--was into three areas: public affairs, which in the last year was [Peter] Hannaford and in the two previous years was Jim Jenkins; programs and policy, which was mine; and administration, which was Deaver's. So approximately a third of the governor's office was in each of those three areas. The three of us reported to Ed and the governor. That was made very clear in the beginning, that we had access to the governor. Obviously, we couldn't run in when he had a meeting going on, but we had the ability to report and work directly with the governor. We didn't have to go through Ed to do everything.

Livingston: My attitude, my style, is to sometimes almost over-inform. Ed knew every time I talked to the governor and what I said to him and what he said to me, so that he was fully informed. But he didn't have to be there. I didn't have to clear it through him. I'd go see the governor and the same was true with Mike and Jenkins and Hannaford.

I had in my portfolio--actually, I think I had the most people working for me, although maybe Mike did--I had the legislative unit, which I spent the bulk of my time with, because that was the issues management and development of legislative proposals in response to the five thousand bills that were already introduced that were somebody else's idea. I also had the Office of Planning and Research, which was an environmental, local government activity. It was not physically in the governor's office: it was over across the street.

I also was, on Ed's behalf, a liaison to several of what we considered to be sort of super important commissions. The PUC--even though it is an independent commission, we kept a liaison relationship there, so they knew what was on our minds, because a majority of the appointees were Reagan appointees. The Little Hoover Commission would often want to meet with the governor and have to settle for me or for Ed Meese, and there were two or three others in that category. I am sorry I can't remember them offhand.

My main responsibility--and I made it very clear in the beginning and it was made clear to me because of George Steffes having been there before, that I was not the chief lobbyist for the governor, that I had lobbyists work for me, for the senate side and the assembly side. In effect, I was supervising on behalf of the governor, the development of issues, and trying to work out attempts at legislative solutions, but I wasn't roaming the halls, grabbing people onto the floor to vote on issues. We had people to do that, so I was more involved with the cabinet and the governor on those issues which the cabinet needed to talk about.

About eighty percent of the legislation that we look at and follow is noncontroversial and is handled fairly routinely--things like a local government problem that has to be solved and the local legislator cares about it and he has not only got to sell all of his colleagues, but he has got to sell us that it is important.

Then, of course, with major legislative proposals by the governor or ones he cared a lot about, I got very much involved in the discussions. We would seek modifications to a lot of

Livingston: things and argue with legislators on their whole approach to issues. I was more a tactical, a creative person. I wasn't sitting there drawing lines through bills. In fact, I prided myself on the fact that in the entire eight years that I was in the administration, I only read one bill. That was my sort of uncrowning achievement (in fact, I feel kind of badly for the way it turned out): I negotiated on behalf of the administration the energy bill which the governor signed, and all of us regret that he ever signed it.

1973 Energy Bill: Negotiating a
Controversial Issue

Livingston: There was a lot of hoopla, particularly in late '73 when we had the oil embargo, that the state needed to do a better job of understanding and creating energy and speeding up the permit process and all of that. There were also a whole group of people saying we could solve it by conservation, we don't need to build new plants. The issue was joined when the energy bill was sold to the public, the newspapers, and certainly to the legislature, as being the end-all; all we had to do was pass this bill, create an energy commission, and our energy problems would be solved.

It had a fabulous momentum going, so I ended up saying, "Governor, if we do nothing to try and modify this legislation, and you veto it, you will be perceived in this time of energy crisis as having done nothing and opposing something that has now been perceived by a lot of people as being helpful. I think that is an untenable position. So what I would like to do is open negotiations with the authors--there was a senate bill and there was an assembly bill--and see whether or not some of the things we want to do in the energy area, like speed up the permit process and take away some of the bureaucracy--"

Morris: This is permits for what kinds of--?

Livingston: New power plants, primarily. Anything that would create a source of energy. It was coal-fired, gas, electric, nuclear. So I sold the cabinet and the governor on the fact that we ought to at least attempt, as we had successfully on welfare and Medi-Cal and some other major areas, attempt to negotiate a bill that we could live with.

Morris: In other words, this was not part of the governor's program, originally.

Livingston: No.

Morris: It came up from the legislature.

Livingston: He was going to get an energy bill on his desk.

Morris: Whether he wanted it or not.

Livingston: He wasn't going to get the one he wanted, and my attitude was, "On this one, I think we've got to negotiate and see whether or not that bill that is going to come down here--" My whole thing was, "I don't want you to veto this. I think it is going to hurt you in the long run if in a time of energy shortages and gas lines and everything else, you are presented--"

Morris: A bad year.

Livingston: Yes, so I said, "I would try to make this bill work, and if we are still unsatisfied with it, in the end you always have that veto option." We would be able to say, "We tried, but these people are not responsible, they are doing this, that, and the other thing." [sighs] Oh, the worst negotiation I ever had in my life. And I will say this, we were pretty well satisfied at the end of the negotiation. I have to say this carefully because I have done a lot of soul-searching. We were satisfied that we had done a very good job in creating legislation to be helpful in the energy area. We signed it, finally, after an unbelievably big argument in the cabinet. I mean, in other words, I won. I sold the cabinet that yes, we've got to create a new state agency, which wasn't easy to do.

I won the battle, he signed the bill. The trouble was, it went into effect the day he left office, so Jerry Brown implemented it. And Jerry Brown read the bill [laughs], and organized the Energy Commission a lot differently than Ronald Reagan would, so therefore it is an unmitigated disaster. I mean, he appointed horrible people to the Energy Commission, all of whom were not convinced that we needed a new power plant. In fact, some of which wanted us to shut down nuclear plants that were already in existence. In eight years of Brown's administration, that Energy Commission has not approved one power plant site.

Morris: That is curious.

Livingston: It's horrible, horrible. They took a piece of legislation that, frankly, had all kinds of good parts to it, but they ignored the speed-up-the-process stuff over here, which we worked really hard on, and went for the conservation stuff. That's why I say I have real mixed emotions.

Livingston: I think at the time we did the right thing politically, but I think we foisted upon the state, because of who implemented it, a horrible piece of legislation, which I would predict--George Deukmejian has said he wants to abolish the Energy Commission. There are enough Democrats and Republicans who are so unhappy with it that maybe it will happen. But I only raise that because on that particular bill, I spent day and night, night and day, and read every line, and had lawyers sitting around saying, "Now, if you say it that way--" We were trying to get legislative intent. We were trying to take the junk out of it, and we threw a whole lot of junk out of it.

Morris: Was the legislative intent written into the bill?

Livingston: Oh, yes.

Morris: Did you modify the original statement?

Livingston: I think it might be interesting--I mean, it is probably not a fascinating subject to you--but it might be interesting for you to get a copy of it, get all of the revisions of it--there were lots--[and see] what did they want to do in the beginning and what did we end up with.

Morris: Were the legislative people resistant to your suggestions?

Livingston: I negotiated with them. I had great ability to convince the senate. We had senate energy experts; everybody is an energy expert if they are on the energy committee. They were very, very sensitive to our concerns. The assembly was Charlie [Charles] Warren, who went on to be President Carter's chairman of his Council on Environmental Quality, and ended up being a bloody disaster in that, just like in everything else. Charlie Warren ended up being the tough guy that had an agenda and thought I was whittling away at it. And, of course, I was.

But we modified it. We were never totally satisfied with it. I mean, I am not saying I was proud of it when it was finished, but it was so substantially better than what we would have gotten otherwise. If we had vetoed, I think there was enough momentum that the veto even could have been overridden. But it would have been created the wrong way without us. As I say, I want to tell you, of all of the things I did in Sacramento, that is the thing that I think I agonized over the most.

Morris: This might be a good example to tell a little bit about how the cabinet would address a controversial issue like this. You said that it took a lot of debate.

Livingston: You are aware, of course, of the mini-memos. A piece of legislation would be, in effect, attached to a memorandum which would say, "Here is a piece of legislation--it is very controversial--to do the following. Here are the plusses of the legislation, here are the minuses, here is the fiscal impact."

Morris: Kind of like the legislature's analysis of bills.

Livingston: That's right, and then you choose up sides. The thing that I have always admired about Ronald Reagan, and that's why I believe so much in his attempt to recreate cabinet government in Washington. They have Ike Livermore there [in Sacramento], the environmentalist, okay? He liked what I was doing and had a representative sit with me as I negotiated. You had the Business and Transportation guy, Frank Walton, a wonderful guy, a great sense of humor, and an absolute dinosaur. I mean, you create anything new, and it would be a horrible idea. The debate would go on, but the main thing that Ronald Reagan would encourage--not just on this issue, but on a whole bunch of other ones--is, he wanted to hear Ike Livermore's environmentalist opinion of Medi-Cal reform.

In other words, he would say, "Now, wait a minute, I don't want these two guys to be the only two guys talking on this. We all have a stake in this, and you are here as my advisors. I'll make the decision." There were never votes taken. It was never four-to-three, governor, you can tie it. There was one vote: him.

In fact, I think I told you last time there were times I would hold back, waiting for the next item, and all of a sudden he would say, "Don, what do you think?" Jiminy Cricket! But we debated the energy bill while I was negotiating it. In other words, I didn't have carte blanche to just commit to changes. I had a process where I would negotiate, and I would go back and say, "We're making progress in this area. I think we have cleaned that section up." I would talk primarily with fairly broad-brush approaches to the legislation. So every time I did report, of course, there was more debate: "Well, why don't we just kill the mother!"

So finally, when it arrived on the desk, the main argument narrowed down to: do we create another new arm of government, which in some ways duplicates what the Public Utilities Commission is supposed to do. That was it. It was a philosophical argument. You, Ronald Reagan, are anti-bureacracy and anti-creating new things, and if you sign this bill, you are really going against your basic philosophy. The other side of that is: look, the PUC does not have all of the abilities to do this. There are things that need to be done in conservation and other areas, and this is as good as we're going to get. I mean, the pragmatic guys were on that side, and I was, of course, part of that.

Morris: How about the Health and Welfare secretary at that point?

Livingston: At that point it was Jim Jenkins. Jim was a lot like me in some of those discussions, where he was thinking of the politics of it. None of us wanted to have him [Reagan] sign the bill and create a new energy commission, but we had to do it, and he [Jenkins] helped me on it. He said, "Look, Don, it is really not a bad thing." He was a supporter of what we were trying to do, but he wouldn't say it because the governor didn't like politics to be part of the issue discussion.

Morris: In the cabinet?

Livingston: Yes, every once in a while I'd slip, or Mike Deaver would, or somebody would say, "Governor, the folks really like this one." He'd say, "Wait a minute, we'll make the decision based on what we think is right, and let's forget the politics of it." But Jim, knowing the background of that, his comments, in effect-- because I can remember them, I remember that debate vividly.

Morris: Yes, I can believe it.

Livingston: Ed, I will say, on that one was never comfortable, but ended up, I think, concluding that on a very close vote, by about .001, that we ought to probably sign it. Ed was very, very close to the PUC commissioners, has very close friends with the phone company, some of the regulated industry. Ed knew a lot of the same people I knew, and they were bouncing off him. I was being second-guessed by everybody in town on the business side, and I had to keep going to PG&E, Southern California Edison, all of these guys, and saying, "Excuse me, have you got the bill killed? I'll stop talking."

I was, in some areas (and I guess this may be too candid), getting amendments into the energy bill that they couldn't get in. In other words, they'd go as the gas company and say, "The gas company wants this amendment." The legislators would say "Phooey on them." I'd say, "Look, we have to have this one, otherwise--" I, by the way, took the strong position right from the start. It's the only thing that saved us. "Our problem is we're starting off: 'The bill in front of you today is vetoed. Go ahead and send it down to us this afternoon.'" I mean, I took the position we were willing to do that, we were going to do that.

I said, "If you want a bill, there are a lot of ways. Everybody plays it differently up here. I mean, some people like to introduce legislation and they don't care if it gets killed. They just want to get their name in the paper. But other people

Livingston: pride themselves on creating solutions to problems." That's where I touched old Charlie Warren's heart, because he liked to be thought of as a really great problem-solver legislator. I said, "You have got a veto here and, fine, you can write press releases, attack the governor, and so forth, or you can work with us, be sensitive to our concerns. We will try to be sensitive to yours."

A lot of my probing was to ask the question--purposely naively--: Why do you have this in here? What is this in here to do? How does that get a new power plant built? But when I say read the bill, I mean I did, and we did it line by line because they were sneaky. Usually to negotiate legislation, I would negotiate, I think I told you last time, concepts. If you've got the concept, let the lawyers write the bill and you didn't worry about it. Obviously, people would read it to make sure, but I wouldn't. I trusted people and their word. If they agreed that that was going to be an amendment to the bill, it was. I didn't mean to spend all of that time on the energy bill, but I think it's a good example of what I did.

Under George's leadership--George was really one of the unsung heroes of the welfare/Medi-Cal things. I wasn't involved in those. I wasn't there yet. On the welfare/Medi-Cal, George Steffes was not the direct negotiator, but he got all of the people at the table. He got people who don't even like each other to sit down and talk. Now, the governor was brought in. George was a strategist along with Ed, saying, "Okay, now I think it is time to bring the governor in," roll up his sleeves, and argue with Bob Moretti on this thing.

I never wanted the governor to get involved in this one, and he never did.

IV IMPORTANCE OF PERSONAL RELATIONS AND TRUST;
REAGAN AND DEMOCRAT WILLIE BROWN

- Morris: Were there other issues on which you did bring the governor in?
- Livingston: Oh, yes, yes. One of my most proud achievements was the year-- I am trying to think whether it was the last two or three years that Willie Brown was the chairman of the Assembly Ways and Means Committee, which, as you know, is a powerful job.* I'm not sure that they had even met, Ronald Reagan and Willie Brown. I mean, they are just on such opposite poles. Now, I went to college with him. I have known him a long time.
- Morris: You knew Willie Brown as an undergraduate?
- Livingston: Yes, at San Francisco State.
- Morris: Really? What was he like as an undergraduate?
- Livingston: I will tell you very frankly, he is a fabulous, brilliant man who is a dear friend. A lot of politics is personal relationships, and I have a fabulous personal relationship with him. He is not nearly as scary and crazy, as flamboyant a character, and all the rest of that stuff.
- Morris: Was he a colorful fellow in college?
- Livingston: Oh, my heavens! Yes, he was. I like him very, very much, and I know him well enough to know his good qualities, and I kind of ignore his bad qualities [laughs]. I guess he ignores my bad qualities, too. Anyway, I like him.

Anyway, Willie was chairman of the Ways and Means. It was clear to me that we were not going to get a budget unless we had dealings with Willie Brown; we reached a point where we had to. The governor was told this by Frank Lanterman, who has since

*Brown was chairman of the Ways and Means Committee 1971-1974.

Livingston: passed away. Frank was the vice-chairman, a Republican, of Ways and Means [1972-1973], and he said, "You have got to meet with Willie Brown."

Now, the governor didn't mind meeting with Randy Collier, a gray-haired, wonderful old guy. He'd get a little park up in Placer County or something, and then he would shove the budget out.

The governor said, "Willie Brown! A street protestor!" and he just wanted to avoid him. I said, "I'm sorry, but a lot of this is ego stroking. He is powerful now, he is chairman of Ways and Means--"

Morris: Yes, and he had been a real contender for speaker at that point, too.

Livingston: "It is important to him that you and he meet and reach an agreement on certain key items in the budget." I mean, I had to drag the governor kicking and screaming into that meeting. Afterwards, he winked, and he said, "You're right, he is brilliant." They got along beautifully. He got a park, a regional kind of thing along the waterfront. It's a yacht harbor or something, I don't know, but that was added to the budget for San Francisco, and I think they got a little pocket park somewhere else. No, he did something with the Maritime Museum. It was added to capital construction. It's a pork-barrel thing; I mean, California is nothing like anywhere else, but that's how Willie wanted to deal, on that basis. He wanted to deliver a couple of things as the powerful chairman of Ways and Means for his community, and he did, and we got a budget.

I will also tell you the follow-up to that. They they would see each other, and there were times when they would have leadership meetings, and they would laugh--lots of jokes back and forth, and so on. Willie Brown knows Ronald Reagan is not a racist. Willie was back right after he was elected speaker, to Washington. There is an annual speaker's dinner where the speaker of the state assembly brings some of his leadership back to Washington and hosts the congressional delegation, just for good rapport and relationships. It's a historical thing. I don't know how many years it's been going on. Then they invite some business people, who, in effect, pick up the tab for the dinner. I mean, you contribute to some fund, and then that fund pays for the dinner.

Livingston: I happened to go to this thing, and he said to me, "Donald--"

Morris: This is Willie?

Livingston: Yes. He said, "I am in a meeting in the Roosevelt Room with the delegation of California leadership with the new president." This was like February or March, after he was in office. He said, "Is there any chance that I could meet with him privately for a minute or two?" I said, "I don't know, but I'll find out." Now, remember, I am wearing a different hat now. I'm with Carter Hawley Hale, and we've got business before the California legislature. He is the powerful new speaker, and the president of the United States is Ronald Reagan.

Morris: Right, your old boss.

Livingston: Yes, so I asked both Ed Meese and Craig Fuller if there was any problem with that, and they said, "No, I don't think so. I think he'd like to say hello to him." But I want to tell you, Ronald Reagan took Willie Brown, alone, into the Oval Office. The White House photographer took a picture of them, and Willie Brown was practically crying. He said, "Mr. President, I have been in politics for a long time. There have been some Democrats in this Oval Office. I have never been in the Oval Office."

Morris: That's interesting, that really is.

Livingston: He had a dinner out here and Craig came. I guess the president was in town or something. Willie had a fundraiser. This was later in the year, like three months later or something like that, and he brought the picture and gave it to Willie. So there is a very good relationship there, which on paper makes no sense at all. I think that was part of the fun of that job.

Basically, my approach to people is that if I disagree with them, I want to lay those disagreements aside and then find those areas where we agree, because we can't communicate if we are going to be arguing over things we don't agree on. I feel strongly about that in terms of partisan politics and in terms of--if you are a problem solver; if you don't want to solve the problem, I suppose you could forget about that. Also, I do very frankly think, even though it's corny, that people do make the difference, and if you have a personal relationship, there is a trust there.

Now, I did a favor for Willie also, which relates to the San Francisco Neiman-Marcus. Willie Brown has a law practice in San Francisco--successful, but frankly, up until a few years

Livingston: ago as he was rising in leadership, it was mainly the hookers of the Fillmore and drunk driving and workman's comp; it was a people's kind of a law practice. Bill Coblenz, who is a very prominent attorney in San Francisco and was a university regent who Ed Carter knew, had been hired, because his firm was very politically powerful in San Francisco, to help us get the approvals--

Morris: All through those boards and commissions in San Francisco--

Livingston: --to tear things down.* At the time, George Moscone was the mayor, and George Moscone's closest friend in the world was Willie Brown. We were having trouble. Coblenz admitted that he was not being as effective with his friends on the board of supervisors and in the mayor's office to get the thing moving. He and I talked, and he said, "Don, I am going to ask you a very candid question. What would staid, conservative Carter Hawley Hale think of the idea of hiring Willie Brown as an attorney to help?" Now, it is no conflict, because he is a state legislator. He deals with state issues, so as a lawyer he can represent a private client on a city matter; he has no official relationship with the city. I loved the idea. Needless to say, we hired him. He represented up before the board. He was the spokesman, not Bill Coblenz, at strategy sessions.

In the middle of that, of course, Moscone was slain. Willie quickly developed a new relationship. He and Diane [Feinstein] had never gotten along that well, but he worked at making sure we didn't lose any momentum. I had some relationship with Diane because she was a Coro Fellow before me in San Francisco, and we had a lot of mutual friends. Willie was very helpful. The interesting part of the story is that as a result of all of the publicity that he got representing Neiman-Marcus and Carter Hawley Hale as their spokesman and lawyer, he now is the number one guy that Jerry Hines--who built his new building--and William Zeckendorf, and all of the people that are wanting to get something built as quickly as possible in San Francisco which, as you know, is hot--

Morris: Building is booming.

Livingston: He does a lot of things jointly with Coblenz because they offset each other very well.

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*The City of Paris department store on Union Square in San Francisco had to be torn down to make room for the Neiman-Marcus building.

Livingston: That doesn't in my current job do me any harm. I am going to the swearing-in on Monday in Sacramento for the new legislators, and Willie invited me to a private lunch for about twenty people afterwards. I am going up for that. But we are close and good friends. I was very disappointed at the Thursday night party before the opening [of the San Francisco Neiman-Marcus store]. Willie was coming, but got stuck in Sacramento so he never made the party.

V TASK FORCES ON LOCAL GOVERNMENT AND EDUCATION:
FINISHING STRONG

Governor's Research Aides

- Morris: That sort of ties into the whole broad area of the local-government task force that Governor Reagan put together?
- Livingston: Yes, because the Office of Planning and Research and the Council on Intergovernmental Relations were under my responsibility. As I recall, I assigned the day-to-day responsibilities for that to Bob DeMonte, I believe.
- Morris: Okay, that's a piece that I have been trying to--
- Livingston: My memory may be faulty though. Tell me what you know! [laughs]
- Morris: The organization charts show Robert DeMonte as head of the Office of Planning and Research, which was under your programs and policy unit. DeMonte seemed to be located in a different--
- Livingston: They were across the street, and so was the Council on Intergovernmental Relations.
- Morris: Why was it set up as a separate office if it had originally been part of the governor's office?
- Livingston: It was part of the governor's office; but physically, if you have been to the capitol you know how small the governor's office itself is. So there were units of the governor's office which had all of the right, pretty stationery, but were not physically able to be accomodated within the confines of the capitol.
- Morris: How did what DeMonte did differ from what Jerry Martin, for instance, did, who also carried a research title?

- Livingston: Jerry Martin, very candidly, was a speechwriter, and did research, really, for what Ronald Reagan was going to say about certain things. They called it research. I am not demeaning it, but most of what Jerry did was fashion the finished product after the issue had been developed and concluded. In other words, after the cabinet, say, made a decision to have a new initiative on water or something like that, Jerry then would put it together in a readable, speakable thing. I think I am right, I think I am right.
- Morris: Okay, that makes sense. Then DeMonte's operation would pull together the original research and data to support some of these program ideas that were being--?
- Livingston: Yes. You are testing my memory a little bit here, because I want to tell you I am the kind of administrator that--DeMonte had a shop to run and obviously I wanted to know what he did, but I didn't look over his shoulder. In other words, I felt comfortable enough with what he was doing and I saw enough reports, but I can't tell you--below him I didn't have a lot of relationship and rapport to know what their top ten projects were.
- Morris: You would tell him what to go and research?
- Livingston: Right. He was sort of my representative on that whole local government thing. It seemed to me like we borrowed somebody from Finance, and maybe his shop, and I still want to think that the Council on Intergovernmental Relations had something to do with it, too. Who was the head of the local government thing? Was it Jim Dwight? Was that his, or was his schools? His was schools.
- Morris: Jim Dwight was schools. Again, this is one of the continuing threads that we are asking a number of people about. The Council on Intergovernmental Relations also goes through a number of changes. At one point, the lieutenant governor was in charge of it--
- Livingston: Drove me nuts.
- Morris: What is emerging in the eighties, looking backwards, is that the relationship of the governor's office to local government is one very important aspect of problems that are still with us. It's interesting that Reagan was concerned enough to have a local government task force. In those years we have also got the Bay Conservation and Development Commission getting established, and the initial interest that finally led to a coastal commission. Would the local government task force have been interested in that kind of development?

Seeking Economy and Alternatives to Regional Government

Livingston: Yes, but I think--boy, I should be careful since I am on tape, but I think the local government--you see, a lot of what we did in those task forces was to "finish strong." You have heard the theme, I think. Part of finishing strong is to have attitudes and opinions on various key areas like schools, local government, and so forth. The local government task force really was designed, I think, to come up with ideas for saving money at the local level--perhaps reorganizing it--but it was never, it was almost a given mandate not to ever use the word "regional" government. In other words, there was a philosophical bias to "Let's find out the stars of local government." Why does Palo Alto buy their pencils for five cents less than somebody else? What are they doing right? Should you contract for your police and fire? I think I am right, that was sort of--"Let's find out what's good out there, maybe there is some way to explore."

Frankly, the caveat was, "Let's find ways to solve problems, like saving the Bay, without creating a new level or layer of government." And there are; there are compacts and there are various ways. So that task force really--I don't think it was a successful task force. I don't know if they ever issued a report, did they?

Morris: I think they didn't.*

Livingston: It was kind of pabulum at the end because it ended up not being, one, dramatic, nor two, very good. Who ran that? Who headed it?

Morris: I should have that in my notes.**

Livingston: Didn't Terry Chambers--?

Morris: That's a new name to me.

Livingston: He was Frank Walton's deputy.

Morris: Where is Frank Walton now, do you know?

*"Public Benefits from Public Choice," Report of the Local Government Task Force, State of California, n.d. [1974] copy in the Ronald Reagan Collection, Hoover Institution.

**Robert B. Hawkins, Jr., headed the task force staff. See interview with Hawkins in this series.

Livingston: No, I am sorry to say that I don't know. He was with the Heritage Foundation. They would know where he is. Then I heard that he came back to Pasadena. I mean, if you haven't talked to Frank, oh, my God, save about nine days!*

Morris: He's a verbal person?

Livingston: Oh, not only that, but he is just delightful and charming. If he is in town, I feel badly that I haven't tried to find out where he is. He was at the Heritage Foundation. He is independently wealthy. He had sold his business prior to coming to Sacramento, so therefore, financially, he didn't have to work any more the rest of his life, which is kind of nice. So I don't know whether he's actively retired, or whether he has retired--

Morris: Was he in the same age bracket with you and Ed Meese?

Livingston: Oh, no, no, no. When we were there, of course, we were in our thirties and he was in his fifties. I would say late fifties-- fifty-five, fifty-seven, fifty-eight, or something like that.

Morris: Was he already there as head of Business and Transportation when you came into the governor's office? Gordon Luce only stayed for a year or so.

Livingston: Jim Hall was there, and I think Frank came after Jim.** I can't remember when Jim went to Health and Welfare [January, 1971]. Frank was probably, other than Ike Livermore, who I just had a sort of special affection for, Frank and I have really socialized. The wives enjoy each other. He has such a robust humor, and just loves to sing. If somebody has a piano, he would sing. He's a character.

Morris: Was this his first foray into government?

Livingston: Yes, yes, he was a businessman, and I want to tell you, in many ways he was the conscience to keep us on the straight and narrow. [in low, gruff voice] "Now, this is not what we came up here to do."

*Mr. Walton was later interviewed for the project. See his interview in this series.

**Walton was secretary of Business and Transportation from August 1971 through 1974, following a three-month stint by Brian Van Camp.

Morris: I see, a sort of straight-line conservative?

Livingston: Yes, very ideological. When you get to know him, you realize that some of that is bombast. But he meant what he said. I mean, he wasn't going to die [over it]. He and I would get into some philosophical arguments over particular--he was not happy with the energy commission bill. He opposed me on that, but he did it nicely. He said, "Don's doing a hell of a job here, it's just we don't need it!" [laughs]. But I never saw him personally criticize anyone or attack someone. In other words, he was basically a superb human being, and, oh, my heavens, your project is not complete without him.

Morris: Oh, he is definitely on our wish list. It's a matter of--

Livingston: I think he may be in Pasadena. I am not sure I saw him at the inaugural, but it's been two years, I'd say, at least since I've seen him.

Morris: Okay, I will look for him.

Livingston: Terry Chambers was his deputy, and I believe that Terry was in charge of the local government. I hate to say that after I have just said it was a failure, but he was sort of the top guy that honchoed it.

Morris: The director, the staff--

Livingston: Yes, whatever they called him.

Morris: There was a staff director and then there was a chairman of the task force.

Livingston: That's what I mean, the chairman. I think he was, or do you have some other names?

Morris: No, but there was staffing for a task force, which was usually somebody from the governor's office.

Livingston: DeMonte and his people.

Morris: Usually, my understanding was that the task force, the people reacting to the material developed, were usually not governor's office. They were appointees from various places.

Livingston: Yes, you bring back memories. I mean, that was one of those that never really--I'm not sure it had as great a definition of its mission. Usually we were very good about that. You knew what

Livingston: you were supposed to go out and try and do. On that one, I think it got a little fuzzed up. I think if you got nine people in the room, you would have had nine different ideas as to what it was we were supposed to do.

The Quandary of State Rules for Local Schools

Livingston: The other disappointing one was the schools one. There was a great report, but because of our philosophical bias not to have the state run anything, all we could do is just cajole the school districts to read our report and hopefully implement some of our reforms. But we got into a big philosophical hang-up, "We don't want to have the state run the local schools," and therefore all of these recommendations we were making to improve their efficiency in various things, we don't want to pass any state laws to make them do this, set standards and all that stuff. So even though the recommendations were good--and they would be good today--if you don't want to have the state be the boss more than it already is, how are you going to implement them?

Morris: How did those recommendations go down with Wilson Riles and the people in the Department of Education?

Livingston: His people, I think, were cooperative and helpful. He liked it because we were, in effect, pointing out the goods and some of the inefficiencies of operation. It was also taken up by the Little Hoover Commission. They did follow-up on it and made certain recommendations. I don't know if you have read any of the stories, but one thing we pointed out is that they owned surplus school property, probably up to half a billion dollars around the state, but there was no mechanism--

Morris: Owned by various local school districts?

Livingston: Yes, and the state paid for most of that through our school building thing, or it was given by developers who built homes, and all of a sudden, the population shifted or something, and these sites were just sitting there. L.A. County--don't ask me why because I can't remember--but they have forty acres in I think it is Mendocino or Placer County. I think they were going to have a bird sanctuary research facility for the schools, somebody gave it to them or something, but it is worth, apparently, a lot of money, and they are starving to death.

Livingston: So the Hoover Commission has pursued that at great length because they were very successful pursuing surplus state highway property. The highway department--you know how they used to buy--and the law was that if you have this square that you own and they are going to come over it with this little piece of highway, you've got to buy the whole property. Then the state owned the rest of it, didn't do anything with it, and they discovered at the time \$250 million worth of land that they owned. There wasn't ever going to be another freeway coming in here or something. They were then forced to, within a year after the completion of the freeway, get rid of it or I don't know what the penalty was.

Morris: It must have been a great, great blow to the highway department.

Livingston: Oh, because they love to just grow and grow.

Morris: And have all of that land.

Livingston: They probably had a bunch of bureaucrats managing it. I guess they would drive out in their car and see if it was still there.
[laughter]

VI FORWARD PLANNING IN 1973-74

Thoughts of the Presidency

Morris: You mentioned the idea of "finishing strong." Were there other things that you were particularly involved in?

Livingston: We had those Sutter Club breakfasts--what did we call them? Forward Planning. That group was the impetus to create the Institute for Contemporary Studies, to create the Ronald Reagan PAC [Political Action Committee], all of these ideas came out of our--

Morris: The Ronald Reagan--?

Livingston: It's called the Citizens for the Republic. As I told you last time, during 1973 and 1974, we were beginning the first planning for the '76 run for the presidency. So in addition to, we hoped, building an excellent record as a two-term governor of California who did things and solved problems, we also were setting up the mechanism to have Ronald Reagan leave government having everybody think pretty well of him; and then go off to the syndicated column and the radio show and the creation of the institute think tank; Molly Sturges's whole operation. All of that was very, very carefully planned.

What happened, of course, was Watergate, which screwed all of that up, because there was no question in my mind that if Nixon had survived Watergate, Ronald Reagan would have won in spite of--I mean, if he had survived, probably nobody would want to even know a Republican. But the whole plan was he couldn't run again, so it was an open seat.

Morris: If Nixon had survived he couldn't have run again.

Livingston: That's what I mean; there was an open seat. Then it just all fell apart. Agnew resigned and then good old Gerry [Ford] came in.

Morris: Was Mr. Reagan involved in this planning, or were you planning it for him?

Livingston: No, we were planning it for him. He was, I assume, to be candid, I am sure informed of the various things by Ed. I mean, he and Ed would spend a lot of personal time together talking about various options, both politically, career-wise, for Reagan.

Of course, he was involved significantly in the governmental things that we felt needed to be done to finish strong. You run for office based on your spectacular record. There were two years to shore up--there were some areas where he was weak, in some areas perception and in some areas reality. So therefore, we took a look at, we assessed--okay, they are going to say he was governor, but he didn't so anything about X, Y, and Z. Well, do we want to do anything about X, Y, and Z without turning him into a liberal Democrat; don't just pass something just to look good on paper. So within our philosophy, we were trying to look at sensitive areas--

Morris: Such as?

Livingston: I knew you'd ask. [laughter] The consumer thing, which I talked to you about before. He had a good environmental record. The energy thing was a sensitive area. Very strong work was done in the personnel area so that he could say at the end of eight years that there was not one more state employee on the payroll than when he took office.

Morris: Who was in charge of that? Was that part of your territory?

Livingston: No, Finance, primarily. Now, you have got to remember, we doubled the size of the Highway Patrol in that period of time. So you are really talking about some areas where government wasn't growing anymore, to try and pare that down, while you definitely were hiring new mental hospital nurses. You had some growth areas, but what you wanted to do was to be able to make the statement--and he thought he could make the statement that--sure, okay, the budget has gone up, but I want to tell you that when Ronnie came into office, there were 104,302, or whatever, employees and now there are 104,209, eight years later, and that takes work. I am trying to think of other--

Morris: Was Prop I in 1973 part of that?

Livingston: Yes, it was part of that, absolutely. Good thought. [Pause] Let's see, in law enforcement we had all of those things that have now been passed--use a gun, go to prison. With Deukmejian, we developed quite strong initiatives in law enforcement, most of which we couldn't get through the legislature, but we tried anyway. What else?

Difficulties of Governor-Lieutenant Governor Relationships

- Morris: Somewhere in there you had the lieutenant governor's problem. That didn't come about because of Watergate, but--
- Livingston: It was a side issue and, of course, I feel so sorry for [Ed] Reinecke having to live through all of that and I think he is still pretty bitter, although I guess he has mellowed. People who have talked to him lately say he has mellowed quite a bit. I guess he is about to be the chairman of the party.*
- Morris: I had heard that.
- Livingston: He was a very bitter man. I don't think that any governor-lieutenant governor relationship works very well for very long.
- Morris: Even if they are of the same party?
- Livingston: Right. I was not present, but I knew all of the players. The [Robert] Finch-Reagan relationship was not spectacular. Ed Reinecke probably got along the best, but "Those people in the governor's office--what are they doing?" So, I mean, it was just--he had staff people that were always ginning him up about all of the horrible things that Mike Deaver was doing in the appointments area or that I was doing in the legislative area. It wasn't so much Reinecke himself. It was just that I think he was frustrated. He was given lots of things to do, but not enough or not enough substantive things. I am not--let's see, how did that work? Reinecke left and [John] Harmer was--
- Morris: Harmer was there for about six or eight months or so.
- Livingston: I am not at all a fan of John Harmer. I was bitterly opposed to that choice, although frankly I didn't have a lot to do with it.
- Morris: Who was pushing him as a good person for that very short period of time at the end?
- Livingston: I guess Ed, primarily.
- Morris: Were there complaints from the really ultra-conservative Republicans and other supporters who wanted one of their own, as it were?

*Reinecke was elected chairman of the California Republican State Central Committee in January, 1983.

Livingston: Of course, Mike and Ed--on the appointments area, I kind of have my own opinions, but they're not based on all kinds of inside knowledge. (I've got about another five minutes).

Morris: Right. The lieutenant governor is kind of different from something--

Observations on Appointments

Livingston: But the chief justice of the supreme court--I did not get involved in the appointments area. Every once in a while, I saw somebody. I recruited Hannaford to the administration in the last year. I recruited DeMonte; Tim Cole, who was my deputy and then went on to be director of Finance in the last year.

Morris: Is he still there, or did he go on to Washington?

Livingston: Yes, he is in Washington now. He went to Continental Airlines after Sacramento; then when Continental ran into all of their problems, he thanked God Ronald Reagan got elected, and now he is with the FAA. So I recruited people whom I thought would add to our administration or whom I wanted to be part of my team, but I did not on judges have anything to do. One friend of mine wanted to be a judge, Shelly Sloane was his name, and Mike became a friend of his. Mike and I did kind of conspire to make sure his name got considered, but I didn't even understand that process, much less want to get involved in it. No, on a thing like lieutenant governor, and I think I'm right, that probably was roundtabled--I may have sat in on meetings about it.

Morris: Do you mean the Business Roundtable or the staff one?

Livingston: No, the roundtable with the governor. I would think that would have been--the governor would meet every once in a while privately with the cabinet, only the cabinet. The cabinet was the secretaries, Ed Meese, and himself. They would have private dinners and luncheons and so forth, and I think that is the kind of thing for a decision like that. But it would have already been predigested by, probably, Deaver, Meese, and the governor. They pretty much would have talked out the various possibilities and then sort of throw the name out for consideration. The same thing on replacements. I mean, how do you replace Jim Hall in Health and Welfare? That group really--the idea of Jenkins, I believe, came from Jenkins. In other words, Jenkins went to Ed

Livingston: and said, "Hey, I don't know a lot about Health and Welfare, but we're going to finish strong, I'm a PR man. I mean, that's an area we have got to be careful about. We've got some good people there, but--" Wasn't it Earl Brian--

Morris: Earl Brian, he resigned, didn't he?

Livingston: To run for office, that's right. So Jim said, "Look, we've got what, a year, maybe, to go." So he kind of sold himself and got it. Then he got mad over something. It was a supervisor who died or retired or something. There was an opportunity to appoint someone from Sacramento to the Sacramento Board of Supervisors and Jim wanted that. They appointed-- [pause] I'm sorry, I can't remember who. But anyway, Jim didn't get it. He was just very upset about that, because he was thinking of his long-term career. All of a sudden, it's a good job, pays a little bit of money, and "I've got somewhere to go after I leave state government." But I didn't get that heavily involved in the appointments process.

Morris: That was primarily Mike Deaver?

Livingston: Mike and Ed. Ned Hutchinson.

Morris: But Mike is somebody very close to the governor and kept an interest in the appointments?

Livingston: Oh, he ran it. Now, he didn't run the legal part of it. Ellingwood and Meese really organized how you developed candidates for various judgeships. Mike, I think he probably, every once in a while, had a candidate. Mike was so funny. I mean, you never really knew who he was pushing, but he would absolutely fight to the blood death to get some friend of his on the Fish and Game Commission, because he is a duck hunter.

Morris: The Fish and Game Commission seems to inspire that. People who want to be on the Fish and Game Commission--

Livingston: Horse Racing Commission is another one; big fights over that, because the kind of people you are taking a look at for those, and Fish and Game is another one. Those are plums, and, therefore, three or four nice guys who are loyal, dedicated, wonderful Republicans--and everybody would have a candidate. I didn't get involved in that. I would make recommendations; two or three times I got involved. There was a big fight over the L.A. supervisor when he appointed [Pete] Schabarum instead of Bill Campbell.

Morris: Yes, Mr. Schabarum has turned out to be a very potent person.

Livingston: I have to be honest with you. I supported Campbell's appointment. I lost on that one. I got involved in that, by the way, because of the local government. In other words, my input was sought.

Ed had an attitude about personnel matters that the larger that circle is, the more complicated it is; and he's right. So, therefore, it was kind of a need-to-know basis. Now, most of us knew sometimes hours, sometimes days in advance about personnel changes, so we didn't have to read about it in the morning paper; and I didn't mind that. I had enough to do. Because you always make twelve enemies and make one friend. It doesn't matter what the position is. There are always too many candidates. So I got myself involved in a few, but not very many.

Morris: There are only so many things you can deal with.

Livingston: But that was Mike and Ed, primarily.

Morris: Why don't we stop there, since I am just about out of tape.

VII ASSISTANT TO THE GOVERNOR FOR PROGRAMS AND POLICIES, 1972-1974

[Date of Interview: February 28, 1984]##

School Finance, Sales Tax, and Other
Legislative Issues, 1973

- Morris: Picking up where we left off a year or so ago, I came across at the Hoover this list I sent you of the governor's legislative program for the 1973 session.* I thought it might be interesting to talk about that a little. Do you recall how it was decided what kinds of bills the governor would want to pass and how you picked out and worked with the different state senators and assemblymen who are listed as the authors of the bills?
- Livingston: Okay. First, I probably ought to indicate to you that we had the governor's legislative program, which was that which he personally reviewed and approved. Some of the departments and some of the agencies had some of their own programs, but that which we felt was significant enough was incorporated into the governor's program. So that they would go before the legislature, for example, and--Say it was the Department of Consumer Affairs. They'd say, "This is a department bill that we feel is important." But there were levels. A department bill had certain status, obviously. It had been signed off by the governor's office: Yes, you have permission to introduce the bill. But the governor's program itself was that in which he was personally interested.
- Morris: Yes, I thought that might be the case.
- Livingston: Now, how we developed that, basically much of it came from two sources: the task forces that we had done all the way back, really, to '70--'70, '71, '72 came in in education and various

*See appendix

Livingston: areas, economic development, so forth. And those then developed legislative proposals. The other ones were proposals which either Republican legislators or the departments or agencies felt were significant enough to be included within his package.

In other words, some were directed from our office, Planning and Research, from the governor's task forces, or internally through the hierarchy of government itself.

Now, some of these, of course, like this [Senator Ralph] Dills program, SB90--you know about that [education funding and tax reform legislation, passed in December, 1972].

Morris: Right. And the governor thought that was important enough that when it got to the legislature, he wanted to say, "This is something Governor Reagan feels is important?"

Livingston: That's right. Remember, the surpluses were starting to build up, and this was our suggestion as to beginning to return some of that money to the people.

Morris: As this was finally enacted, it involved additional funding for some educational programs, didn't it?

Livingston: Yes. It seems to me that this is the one that had to do primarily with K through 12. Wilson Riles [State Superintendent of Public Instruction] was involved in this, and it did have some of the reforms and improvements which our education task force had come up with.

Morris: Would this be something that you and the governor would have sat down with Wilson Riles on?

Livingston: Yes.

Morris: I would think that Mr. Riles would have thought it was just as well to keep the sales tax increase in place so that there would be more money for education.

Livingston: Well, they had a pretty good relationship. Riles was a good advocate for his area of concern. They never agreed on the totals, but they did talk, and they did a lot of negotiating. Riles knew that, regardless of the votes he had in the legislature, unless he could convince the governor of some increase, he would not be that successful. So they would meet, and they many times would discuss this well in advance of introduction. And sometimes it would be discussed during the process.

- Livingston: In other words, all of a sudden he'd reach a point in the legislature, say at the Finance Committee or the Assembly Ways and Means Committee, where the Republicans on there just weren't going to sign off on the legislation until they knew what the governor's intentions were. So that would force him, then, to come to the governor and talk about what could he live with, what was unacceptable to him.
- Morris: Off the legislative floor and outside of the committee hearings?
- Livingston: Yes, that's right.
- Morris: Was it a difficult process for the governor to decide he could live without the sales tax increase? Because that had been something that had been enacted a few years earlier.
- Livingston: You know, that sales tax reduction--I wish I had a little better memory about it. It seems to me we did that because we had such a large surplus, and he always felt that that was the easiest way to return money to the people, is to give them a temporary relief from the sales tax. It was subsequently increased. It kind of went up and down.
- Morris: Yes, and it's always a big hassle, both when it's decided and then--
- Livingston: The Democrats never liked the sales tax, so they many times would go along with a sales tax reduction as long as they were convinced that there were enough revenues to have the reduction plus increased money out of the surplus for certain of their pet projects, like education.
- Morris: Whose idea was it to combine reduction in sales tax and an income tax credit with the additional money for education?
- Livingston: I think the governor came up with the idea. Of course, he was constantly, ever since the big, massive tax increases that he had to do the initial time, was always trying to keep government lean. He knew that if there was too much money in the bank account, the legislature would find ways to spend it.

I'll never forget the reaction of, I believe it was Senator [Albert] Rodda, who was head of Education [Committee], one time when the governor suggested a tax reduction. He said, "That's an unnecessary expenditure of state funds." I mean, their attitude was, once you had the money, you might as well spend it. And they didn't like the idea of giving it back.

Livingston: But, as you know, he gave back, through various legislative battles, millions of dollars of decreases. And those still were not enough, because when he left office, there was a huge surplus, and then it continued to mount under Jerry Brown until finally Prop 13 was enacted.*

Morris: Would Verne Orr and his people sit in on these negotiations?

Livingston: Absolutely. Verne was the principal person in the cabinet to go through the numbers on what the state revenues were going to be, what they were forecasted to be, and whether we'd have a surplus or whether we'd just barely be able to pay our bills. So he was heavily involved all the time that he was there.

And he was a little more, I would say, in the cabinet (and I think he probably would agree with me)--in fact, I just talked with him a couple of weeks ago; it was kind of fun to talk to the Secretary of the Air Force--[laughter]. But he, I think, was always a little bit more conservative, wanting us to have a little bit more of a rainy-day fund, not cutting the taxes so much that we might be too lean. So the compromises always came out in the cabinet. But Verne was always wanting to make sure there was enough of a reserve that if there was some kind of an economic dislocation, that we didn't have to turn right around and raise taxes six months after we'd lowered them, just to meet that. So he was always arguing for a little bit more of a reserve so that we didn't look like we were just jumping through every cyclical period. And he had support among the cabinet.

The governor's main philosophy, really, was the overall thinking, and that is, "Don't give government too much money, or they'll find ways to spend it."

Morris: Yes, that's a common idea, I think. There are bills in here that do have to do with economic development. That's something we haven't picked up too much in the interviews. There's one here, a [George] Deukmejian bill on job creation. And a Manpower Act of 1973. I wondered if that was something that you could recall a little bit about.

*1978 initiative measure that sharply limited local property taxes.

Livingston: Gee, I'm sorry. I really can't. I'd have to really search my--I got a chance recently, by the way, while I was at Hoover for a conference that they were hosting, to look at my own files.

Morris: Good.

Livingston: I didn't actually go through them; I just kind of--What I was trying to do was measure my files versus Ed Meese's, and, of course, his took up half the place. But I'm sorry that I can't remember--

Morris: Who might be somebody that you recall who was really involved in some of this economic development?

Livingston: I'm trying to think. Seventy-three--[pauses to think].

Morris: Okay, we'll save that for Governor Deukmejian.

Livingston: Is he going to do part of the oral history?

Morris: Not at the moment.

Livingston: I'm sorry. When I looked at these, I knew I was going to have problems, because I can remember some of these things, but boy, to try and--with just the name--

Morris: I know. The names themselves, however, are very interesting.

Legislative Partnerships; State Employees

Morris: I find [Robert] Lagomarsino carried a number of the governor's bills. Was there--?

Livingston: He was one of our key authors on tax legislation.

Morris: And he and the governor had a good working relationship?

Livingston: Oh, excellent. Excellent.

Morris: How had they gotten to be working partners?

Livingston: Well, you know every legislator, after he's there a while, sort of carves out areas of interest. George Deukmejian was obviously very interested in law enforcement measures. Lagomarsino had a

Livingston: key position on Senate Finance, and was really the governor's lead man on finance and taxation matters. That's why, I think, he had such a key role in those kinds of measures.

A lot of times these authors, by the way, it's a combination. Some of them came up with an idea that fit very well into our plans or our thoughts legislatively, and so therefore--For example, Dills was a Democrat; he had an idea, perhaps, that he'd already introduced. I'm not being specific about that one because I don't remember the SB90--the initial genesis of that. But it could have been that he had an idea or had a bill on the subject, and we said, "Look, in a bipartisan fashion, could we work together?" That way even Willie Brown carried some of the governor's legislation for us.

Morris: I noticed that, and I wondered how that came about. That was the Department of Benefit Payments. That was a department reorganization?

Livingston: Yes. And it may have been that--Let's see, at that time I think Willie was chairman of Ways and Means, so it may have been that, or it may have been the fact that he introduced a similar bill. I know he carried some bills in the consumer affairs area, because I asked him to carry some of those.

We tried to be as nonpartisan as we could without--Some of our Republican authors wanted to make sure that they got their share. But having a Democrat on the bill when both houses were Democratically controlled was very helpful to getting it passed. And a lot of these pieces of legislation, as I've told you before, were not partisan in their nature. I mean, it was really--either it was north/south or urban/rural, water--a lot of them had no partisanship attached to them at all. Government-reorganization bills, for the most part, were nonpartisan.

Morris: In other words, the legislature was equally interested in putting together a department that did the job.

Livingston: Yes. Actually there was an attitude--of course, we have such a terrible attitude up there now, which is such a shame--but most of the legislators on both sides of the aisle, I think, had the feeling that if the governor wanted to organize the government in a way that suited his management style, that he ought to be allowed to do that. Now, as you start to get toward the end of the administration--'72, '73--that got a little tougher. Because if you were going to reorganize the

- Livingston: government in '73 and then a year later you were going to leave, they were saying, "Well, why don't we just leave it alone and let who the governor is do what he thinks is necessary." It was easier, much easier, to get reorganizations --we created, really, the cabinet structure within the first year and a half of the administration, and it stood us all through those eight years. The big reorganization. Then we did some sort of mini-reorganizations in various departments.
- Morris: The Benefit Payments is an interesting one. That's a whole new structural concept. That pulled out the welfare and Medi-Cal payments from several departments, and put them--
- Livingston: Yes. And that was part of the welfare reforms, I'm almost positive.
- Morris: As kind of a second stage?
- Livingston: Yes. Sort of a second clean-up of that. [laughs] The one I used to get a kick out of was--for some reason, I think we must have changed the name of the Department of Employment about four times during our administration. That, to me, got a little bit bureaucratic. Depending on who the new secretary was, you know. They were entranced with certain ways of saying it. The department didn't really change its role very much or its mission, but it certainly went through some changes in name. I think we spent a lot of money on signs.
- Morris: [laughs] And stationery.
- Livingston: And stationery. [laughs]
- Morris: Benefits Payments is kind of a lead-in to my question about state employees. Some of the people that we've talked to on welfare reform have been fairly specific on resistance from within the department, from certain career employees who have been described as having a vested interest in one kind of a welfare mechanism as opposed to another. I wondered if you recall, in working with state employees, if they had some strong feelings about this Department of Benefit Payments?
- Livingston: I can't remember, but you're probably right. You have to remember that the tradition in California state government for a couple of generations before Reagan was that it was constantly expanding. This was to the benefit of, say, a middle-management person, because if it was continuing to expand, then there were higher levels and greater things to achieve, career-wise.

Livingston: Most of that was based on numbers. If you supervised fifty people, you made less money than if you supervised a hundred and fifty people. Even if perhaps you didn't even work as hard. And so therefore part of that whole process was, the employees, through their associations--now their unions--look at changes in government very, very parochially. I mean, they look at it as to how does this affect my job, my career ladder; am I in a department that is shrinking or growing?

And therefore a lot of what we tried to do reorganization-wise had some strong opposition among the state employees. Some just wanting the status quo. You know, the old story that they would say to any governor, "We're going to be here a lot longer than you are, and therefore we can live with anybody for a while, but then we'll still be here after you're gone."

Morris: And this would be officials of CSEA [California State Employment Association]?

Livingston: Yes. And the civil service. Sort of the civil service mentality was that, "Oh, well, we can put up with some of these newfangled ideas because they're not going to be here forever." A lot of that.

I mean, the Benefits Payments thing, I think, was a logical idea, as I recall it, to kind of combine things and get a little better handle on how the money was being expended and who was getting it, and so forth. But they weren't viewing it that way. They weren't viewing it from a, "Gee, this looks like maybe we're going to save the State of California some money." They were saying, "My god, if we do this, we're going to eliminate so many jobs, and I'll have fewer people reporting to me, or my department isn't going to be expanding." Therefore, regardless of the issue, they would say, "No, this is not a good idea."

Morris: Was there anybody particularly in state career employees or the CSEA that you would have worked with or who would have--?

Livingston: The fellow we worked with at CSEA, who is now, I believe, a lobbyist and I don't know who for, was Lorne Smith, the key CSEA person in those days.

Morris: He's still in Sacramento?

Livingston: He's in Sacramento, I believe, but I think he's an independent lobbyist.

Morris: Okay, because I think it would be interesting to get their view.

Livingston: I think he would be--or he could lead you to others. Lorne Smith is the one that comes quickly to mind, because I can remember him being involved in that. We always said we treated the state employees a lot fairer than we got credit for. And I think he probably would agree with that. Of course, he could agree with that in retrospect, because Jerry Brown did not treat them that well. Even though he gave them the right to form unions, and that was his big claim to fame with them. But we, with the exception of one very, very bad economic time, did provide, as I recall, just about every year, I think, except for one, cost-of-living increases for them. Of course, Jerry Brown, I think, three out of his eight years they received no increase.

Morris: That's interesting.

Livingston: But Lorne, I think, would be the one for the state employees. We obviously worked with the people who represented the state university and University of California and the community colleges. Those were really separate public employee representatives.

Morris: Right. And they also had administratively their own--?

Livingston: The institutions themselves had their own lobbyists, plus the employees of those institutions had their lobbyists.

Coordinating Higher Education

Morris: There's a higher education coordinating council bill in here too.

Livingston: Yes. [laughs] It's probably one of the big mistakes, in retrospect. Now that I'm a state university trustee, I am not very impressed with that group. In fact, I wouldn't be surprised if Deukmejian doesn't recommend it be abolished.

The Coordinating Council for Higher Education initially was opposed by the University of California because they felt that they didn't want to have to sit around and discuss their plans and ambitions with the state universities and so forth. They each have their own boards and everything else. But the idea for that was to have one group not so much run those institutions,

Livingston: but sort of coordinate. You know, where do we train the doctors, and what facilities are necessary, and how many teachers are we teaching, and classroom sizes, and so forth.

Regretfully, that group has taken on a great deal of influence, and they are now into the whole tuition fight, you know, and how do you finance public education, and sometimes they're the advocates on behalf of higher education, and the next time they're the ones that are criticizing.

To me, I think it's important--I've been pushing it on my board, the state university trustees--that we meet jointly with the regents at least once a year, just to talk about common issues. After all, we're the two major institutions of higher education in the state. We each have a very different mission. You know, the University of California is primarily a research university, and we are primarily a teaching university. We understand that. We don't like being thought of all the time as second-class citizens. But there are things that we do very well, and there are things that the University does very well. And I think there still is a lot of duplication of activities.

You still have a great many of the campuses of the University of California that train teachers. Well, we're the premier teacher-training institution in the nation. I think we produce about eighty percent of the teachers, at the state universities. So you kind of wonder whether or not the University ought to have that as part of its curriculum, where most of its prestige is from its advanced programs and from its research.

Morris: You raise an interesting point, too, on the perception of the prospective teacher as to what kind of training they think they should have and what they have in mind for their own careers.

Livingston: I don't think it's quite the same as--or maybe I'm misspeaking, but I think probably there was a time when getting a teaching degree from Berkeley, for example, was thought of as the penultimate teaching degree. I think statistics would show that you are a better trained teacher graduating from some of the better teacher-training institutions, like San Francisco State and San Jose State, and a couple of them down here, than you are if you go to Berkeley.

Morris: Would your spot as director of programs and policies have put you into discussions on who was appointed to the state university-university systems?

Livingston: I did not. I think I told you last time, I got very little involvement in the appointments process, which was a very political process.

Appointments, Politics of the Legislature

Livingston: I was aware of most of the appointments before they were made. I didn't have veto power, but at least I had the right to comment. But I very rarely ever got involved in that. And kind of wanted it that way.

My main reason was that if, in fact, members of the legislature, who I was dealing with on a daily basis, thought that I had a great deal to do with appointments, it would complicate my life tremendously, because each one of these people have fair boards and agricultural district boards and local judgeships, and they were willing to trade legislatively for any of those things. Now, in cases where they were making a decision which would be favorable to, say, Fred Marler or Bob Lagomarsino, that's why--I mean, I needed to know that we were doing something nice, but I didn't want to be involved in the process, so that I ended up saying, "Gee, if you give this to Fred, we'll get his vote on X." Because--

Morris: You wouldn't use that as a bargaining chip?

Livingston: No. The governor didn't like that. He wanted us to make decisions and argue on the merits. He felt very strongly about that, and so every once in a while, not so much myself, but some of my legislative people, kind of came up with creative ways to win people over, and I just said, "No, I'm not going to get involved in the appointments process."

Because it is not a plus process. For every person you appoint, you disappoint ten others. So once you start getting into it, and then you find out that the guy that we got appointed for Lagomarsino got ten other Republicans angry because they had a candidate, so I would just say, "Look, that isn't my deal. I'm not involved in that. If you get mad at the governor for the appointments process, get mad at Mike Deaver, or get mad at Ned Hutchinson. Don't get mad at me."

Livingston: And it was easier for me to be effective, knowing that I had taken myself out of that process. I did it purposefully.

Morris: Okay, that makes what you said earlier much clearer. Thank you.

When you were dealing with the legislators, did you ever sit down with a group of them in the governor's office?

Livingston: Oh, sure. All the time. We had lunches. We had dinners. We had private meetings. We had--You know, a lot of the fun of the job was, as I've told people since--and if I'm repeating myself, you tell me--was introducing and having a private meeting with Willie Brown when he was chairman of Ways and Means. I told the governor, "You're going to have to deal with this man if you want a budget."

Morris: For instance, would you have Willie Brown and Frank Lanterman in together to talk about a budget question?

Livingston: Together? We'd do that on occasion. But once, when we knew that in his position as Ways and Means chairman Brown was going to exert powerful influence on the cause of the budget, and that the governor didn't have the kind of communication that was necessary, we had a private discussion with him on various things. Because, as nice as Frank Lanterman was, he couldn't quite represent to us where Willie Brown was coming from. A lot of that you had to hear from the man himself. And sure, we would prefer to deal with Republican legislators on a lot of matters, but in order to get anything accomplished, we needed to really hear from the man himself. Whether it was the chairman of the Senate Finance Committee of Assembly Ways and Means.

Morris: There was an interesting period in there when Frank Lanterman was vice chairman to Willie Brown's chairman of Ways and Means.

Livingston: Yes. Frank Lanterman, for all of his conservative credentials, was one of the biggest spenders in the history of California. Especially if it had anything to do with mental health. He had absolute blind spots on certain things. And what he would do is, he would represent the governor's thinking on a whole bunch of things, and then his price was another new mental health facility or the Lanterman-Petris-Short Act about mentally disabled or something. He was consistent in saying, "Okay, I'll help you on cut, squeeze, and trim over here, but on this one you've got to have an expansion of program because people are ill walking the streets," or whatever it was that he was hanging on.

Livingston: And he could justify that very effectively because he said this is where we really ought to be spending the money, and we're wasting it all on these other programs. But he was no different than any legislator. He had his own pork barrel, his own ideas. And perhaps mental health has a higher importance and priority, and I think in some cases he was probably correct, but the point was that to try and get him to save money was very, very difficult.

Morris: And he'd been there a terribly long time, too.

Livingston: That's right, and he knew the process; he knew how to do it. And, of course, that's what it is: Willie just laughed. He said, "Well, my god, it's not me. It's Frank Lanterman wants two hundred million more for this." [laughter] He'd say, "You talk him out of it, fine, I'll go for it. But," he'd say, "I'm not going to argue with your vice chairman of Ways and Means who wants this. You'd better just deal with him--"

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Morris: Was it unusual to have the chairman and the vice chairman of a committee of different parties?

Livingston: In some of the other committees, they would have a freshman-- you'd have Criminal Justice, and the newest member would be the vice chairman. It was just kind of an honor for him, so that he could go back to his district and say, "Already in my first year in office I've risen to vice chairman of this important committee." So that was kind of tradition. I think that is the way it is today. It was not so much thought of as partisan.

Morris: Okay, and this was the legislative leadership?

Livingston: That was the first time. Lanterman argued very strongly that he needed a minority staff to give him advice, that the staff to the Assembly Ways and Means Committee was the staff for the majority. And his argument was, "I need to have independent analysts who work with the Department of Finance."

Our initial thing was to say, "My heavens, your minority staff is really Department of Finance, because we're the Republicans around here." But he argued, and successfully, to be provided with minority staff as they do in Washington on Ways and Means. I think that has expanded now, that the Senate Finance and Assembly Ways and Means both have majority and minority staffs.

Morris: It featured a couple of years ago in the negotiations about reapportionment.

Livingston: That's right, they kicked a bunch of the Republican staffers out because they felt they'd gone too far. On some of the other key committees there were minority staff, and I think they just said, "Well, now, wait a minute. If we're going to be fighting all the time, why should we give all these staff people to you?"

And, of course, when you don't have a governor in office of your party, the only staffing you have is whatever staffing the majority in the legislature will give to you. That's how I started my career, on the minority staff of the assembly caucus. At the time I started, there were three of us.

Morris: The idea of a caucus with staffing was pretty new, too.

Livingston: Yes, was brand new, and there were three of us; the entire remainder of the legislative staff was in the hands of the majority party.

Morris: Somewhere in here--I think it was '73--when Bob Moretti had run for governor and left, and there was a battle for a new speaker, that Willie Brown was--

Livingston: No, Bob Moretti in '74 ran for governor. He didn't run against Reagan. He gave up his speakership a year in advance, probably the end of '73, to run for governor in the Democratic primary, and Jerry Brown beat him. And then after Moretti, Willie Brown and Leo McCarthy faced each other for the speakership. Willie was supported by Moretti, but was not successful.

He was not elected, and he lost, I think, primarily because three out of the four black legislators felt that he was too ambitious and too cocky. They figured if there was going to be a black speaker, one of them would like to be that. So he lost by primarily the votes of the minority representatives in the Democratic party. The Hispanic vote went to McCarthy, with the exception, I think, of one. I think all the black legislators in the assembly, who you'd think automatically would support a black for speaker, did the opposite; they went against him. And he learned a lot from that.

More on Reagan and Willie Brown

Morris: Would that have had reverberations in the governor's office? Did the governor's office have an interest in who the next speaker was going to be?

Livingston: Oh, you do, but there's sort of an old tradition which I sincerely believe in, and that is that you do not fool around in what I call the personal politics of the legislature. Any kind of an attempt to influence that process has terrible repercussions. It can backfire terribly. So we went out of our way to not--our attitude was, "We'll deal with whoever they elect."

We had a good relationship while I was there with McCarthy. But if Willie Brown had been elected, although he was a little bit more strident in those days than he is now, I think we would have easily been able to deal with him. Because he and Ronald Reagan, on a personal basis, ended up having quite an affection for each other.

Morris: Did they?

Livingston: Yes, they liked each other. I mean, I think I told you the first time I said he had to sit with Willie Brown, and the governor said, "Oh, my god, I don't want to do that. I have nothing in common with him." And at the end of their first meeting, they found out that they really enjoyed each other's company, and they respected each other.

And contrary to sort of conventional wisdom--in fact, I hope it's part of the oral history that you'd interview Brown--he has been very loathe to criticize Ronald Reagan as governor or when he was running for president. You know, everybody thought they could go to Willie Brown and get a good anti-Reagan quote. He said, "Look, my relationship with him was very straightforward. We had a good personal relationship."

In fact, I was just talking about it yesterday to somebody in Deukmejian's office who was trying to figure out how to establish some kind of a relationship there, which has been just horrible in Sacramento this year.

Morris: Even though they worked together in the legislature for years.

Livingston: It's just there is a lot of divisiveness there. It's a real shame. And I said to him, "That's one of the things I'm most proud of, is putting the governor together with Willie Brown

Livingston: on a one-on-one basis in a very private way together." Because people who respect each other as human beings, while they may not agree, they can work a lot of things out. If they have some kind of communication and some kind of respect.

That's exactly what happened with us. As I said, the first time in his political career--and as of next month he will have been in the legislature twenty years--he had never been in the Oval Office in the White House until he went in in 1981 at the invitation of Ronald Reagan.

Morris: That's remarkable.

Livingston: That's remarkable when you consider that philosophically they have very little in common. But there is a wealth of mutual respect. And in some cases admiration. I've seen him on panels where he's admired the political instincts of Ronald Reagan. Very rarely has he ever personally criticized him. It's not his style to do that very much of anybody, but it is not--Although he's taken some bad shots at Deukmejian. [laughs] But I think he truly enjoyed the banter and the--

Morris: They both like a good sparring match, is that the kind of thing?

Livingston: Oh, sure. Good sense of humor. Good trading stories and so forth. He was always very courteous and very respectful. He respects the office of the governor. He respects the office of the speaker. He feels that people who are in those kinds of offices have a certain way they should act. I say that, and then I know that you could bring to me a dozen times when he probably hasn't sounded like he was a very nice person as the speaker. But that's human nature. He's a pretty conservative, freewheeling guy who sometimes--

Morris: Conservative and freewheeling?

Livingston: I didn't mean conservative. I meant he's flamboyant. Sometimes he gets carried away, you know, and I think he, like Ronald Reagan, has foot-in-mouth disease. I mean, there are some times that he shouldn't have said what he said, period. Regardless of the circumstance.

Observations of the Governor's Public Affairs Advisors

Morris: Let's move on, because I know you've got some other things to do. The last year of the second term there was a reorganization--

Livingston: In the office?

Morris: In the governor's office.

Livingston: Yes, I recall that very well.

Morris: Why don't you start with what you remember of how that went.

Livingston: Let me just say this, that the way the office was organized, Ed Meese was the chief of staff, and the office was really divided into three areas: Mike Deaver's areas, mine, and Jim Jenkins's. Each of us basically had about a third of the office reporting directly to us. We reported directly to Ed and to the governor. We had total access to the governor, so therefore we didn't have to, in effect, go through Ed in order to talk to him.

Morris: Governor Reagan had an open-door policy?

Livingston: For us. Obviously, you know, we all had the courtesy of--you're not going to burst in on a meeting, or if he's got some quiet time, you'd check. But the point is that I didn't need to go into Ed's office and say, "May I go in and talk to the governor about so-and-so?" There was none of that at all. Normally I would talk to Ed about it anyway, and all of us did. Comparing to what it is in the White House now, with all the controversies, it was so freewheeling and so friendly and so nice. Each of us had our areas of expertise.

When [Peter] Hannaford came in [as director of Public Affairs]--and I, in effect, recruited Hannaford, because I knew Hannaford from Republican volunteer politics in Alameda County. Of course Ed knew him, but not as well as I did. We introduced him first to Mike Deaver, and Mike liked him. And he knew exactly what he was doing at the time. In other words, he could see taking--

Morris: Pete did?

Livingston: Yes. He could see taking a year off from his business, which was sort of in a state of flux--he was either going to create his own business or he was going to continue with the association

Livingston: he'd had in San Francisco. So he was kind of going through the thing about, "I'm not sure I'm that happy doing this thing anyway."

I said, "Why don't you take a year off and come up and do this? The money isn't going to be terrific, but at least it will give you some experience that you wouldn't normally have. All of us know at the end of this time, the thing is over, so that you have a very fine-tuned period of time in which you can perhaps come and help us."

Of course, he just took to it like a duck to water. He then got very heavily involved in the pre-preparations for the presidential run of '76, which began, as you know, during '72 and even '73.

Morris: And was Mike Deaver interested in the fact that Peter had worked on campaigns or that he had professional expertise in the media?

Livingston: The thing that I think Peter brought to that office was that he had great respect for the press spokesman. Ed Gray was the press spokesman, the press secretary, and he [Hannaford] didn't want to take that role. He wanted to supervise all of the aspects, the press being one of them, of the public affairs of the office. That included putting the governor in situations in which he tried very hard, for example, to humanize him. I mean, we did that constantly. But during the last year of the administration, we wanted to "finish strong." You've heard that expression many times. We wanted to finish strong in the public relations sense.

There was one county that no governor had visited in fifty years. Pete encouraged him to go to that county to some particular celebration, and it was a massive, wonderful day.

Morris: Do you remember what county?

Livingston: I want to say Siskiyou, but I could be wrong.

Morris: Somewhere in the mountains.

Livingston: Way, way up above, on the east side of the Sierras. Way up by Oregon. And they had a day. Somebody had written in and said, "You've been our governor, and no governor has visited us in so many years."

Livingston: Pete was very inspirational in encouraging the governor to go to Round Valley, which would have been flooded if he hadn't made that decision. To kind of remind people of some of his accomplishments during that year. Not as the fact that he was running for reelection, because he obviously wasn't, but to not let them forget some of the things he'd done.

We really did a very active job on the youth television programs. They were under his auspices. So rather than trailing off in any of the things we were doing, he went to--what is the thing in Concord that they had? Some kind of a thing where the kids--it wasn't a soapbox derby.

Morris: There are a couple of youth legislatures.

Livingston: No, this was some cute thing. Instead of frog-jumping, they had--I'm sorry, I wish I could remember. Pete would remember just like that. He encouraged the governor to go down and be a judge. We took the whole entourage down there. Some of the things that he did--obviously, we were fighting for his time. I was fighting for legislative negotiation time. At the same time, he was coming up with what I called sometimes "gimmick time." You know, "Gee, Pete, so he went to see the Indians in Round Valley; give me a day where I can get him to negotiate on the budget. It's coming up." We'd try to do it in the quiet times, and there were very few conflicts.

And then of course I had some social things with the legislature in the final year that I thought were important. So we were all fighting for the body.

Personal Concerns in 1973

Livingston: But Pete was very innovative, and I think bringing him in at that time was very healthy, because, you know, everybody in the final year, they--

Morris: There's kind of a sense of conclusion.

Livingston: I started interviewing for this position [with Carter Hawley Hale Co.]. I think I first started chatting seriously about it June of '74. Actually, it was earlier than that; I know it was a year before we left office that I had my first contact. Prentice Hale of San Francisco said, "I want you to meet Bill Hawley." I guess that happened a year before, and then six months went by.

Livingston: And a lot of us were doing that, and we weren't doing it out of any disloyalty, but we all felt, well, we absolutely knew that on December 31, 1974, it's over. Whoever is elected, whether it's a Republican--I had no intention of staying in government or hoping that Hugh Flournoy would be the nominee. I just basically had done my thing and was moving on. So you had a lot of people--

So when Pete came in, he had a year of time, and it had a beginning, a middle, and an end. He had a lot of enthusiasm and a lot of fresh ideas, and so forth, and it was just a real boost to all of us.

Jim was, frankly, a little tired, and he kind of liked the idea of the challenge. It was Jim's idea to leave and go over to Health and Welfare, again to kind of do some fresh ideas. Oh, he asked for that. He said, "I want to do that. I think this last year I can, because I have a PR sense, and so forth, and that department is so big and so massive and we've made so many organizational changes over there and changed the welfare reform, and so forth." He said, "I think that would be a great place to end my state career, by going over there."

And as you know, he ended up being fairly bitter because toward the end of our term there was a supervisor vacancy in Sacramento, and he tried very hard to get the governor to appoint him to that, and the governor did not do it. So at the end of the administration Jim Jenkins was not in very good spirits, because he felt he'd been denied something that he wanted and deserved.

Morris: And that he could handle with one hand tied behind his back.

Livingston: I guess. But with Pete it was very interesting. And, of course, both Pete and Mike will tell you that Mike and I, during the last year--as I was thinking of going back to corporate America, Mike said to me, "Somehow we've got to organize Ronald Reagan's life, because there is going to be life after '74 for Ronald Reagan." And the original firm was going to be Deaver and Livingston.

We talked about it. We actually did some exploring as to whether each of us were comfortable with that, and so forth. Then as I started doing more and more interviewing corporately and focused more on this position, this was the favorite one,

Livingston: because I'm a native. I didn't want to move anywhere. I interviewed at Dayton-Hudson, which is a very big retail company headquartered in Minneapolis. They sent me there; I went there in January of '73.

Morris: What appealed to you about marketing and retailing?

Livingston: Well, when I was director of Consumer Affairs, I was exposed to the retail business, and I just liked it. I liked the fashion part of it, the excitement of it. It's a little bit like show biz, in some ways. Part of it is the people that I met. I interviewed with several companies but this one had the greatest appeal for me, because it's a very public-spirited company.

But as it got closer and closer, I thought, yes, they probably were going to make me an offer, and yes, if they did and it were in keeping with what I thought I might be worth, I might say yes.

I said to Michael about, I'd say, five months before the end, "I want to tell you as soon as I can that I don't think we ought to be planning on this any more, because if this opportunity comes up, I think I'll take it." And that's when he began to focus on the relationship that developed with Hannaford, on whether he and Hannaford might very well form a company.

Morris: And the public affairs in business appealed to you more than the--

Livingston: Corporate public affairs appealed to me. The basic difference --you know, I can look back now after I'm in my tenth year here (that's why my memory is so faulty)--

Morris: I'd say it's pretty good.

Livingston: I would say the appeal to me was--it's been subsequently brought home to me--is that in that business you always are having to be a salesman.

Morris: If you're in public relations?

Livingston: Yes. You have to always be looking for new clients and additional clients. It's a very entrepreneurial thing. And while I basically consider myself entrepreneurial, I guess I like being--I do a lot now of what I did for the governor. I'm a good key advisor. I don't write a lot of memos. I'm a touchy-feely person, and I like--

Morris: You're in relation with people rather than--

Livingston: To my boss. In other words, my boss and I sit and talk about a lot of things. And sure, there's a lot of preparation, a lot of research, but I just like the--My working relationship with Phillip Hawley is very similar to the relationship that I had with Ronald Reagan. I lucked out. If I had sat down and written it down in 1974, what I'd like to do, I'm doing it. So it worked for me.

Morris: Did you conceptualize it that clearly?

Livingston: No, not at that time. I can honestly say that, say there were a shift here and all of a sudden I would not be so much external, not spend a lot of time out among the people, or, for example, representing the company Thursday night at Governor Deukmejian's dinner, or being on a committee to do something outside of the company, and I were to be more of an internal person and supervise research on the future of retailing in America in the nineties or something. [laughter] I would have to balk, because that isn't me. I'm not that kind of a person. I like the human contacts.

I still do some negotiating. It's a different kind of negotiating, because we don't really have a legislative program. But I'm a principal--after our Sacramento lobbyist has blunted all of his arrows, why, sometimes I come in and--

Morris: They holler for help.

Livingston: Yes. That's the basis of my conversation, frankly, with people in the governor's office now, where they are asking, "We've done a lot of good things, but how did you accomplish X, Y, and Z? What was the chemistry that made that work?" I said, basically, that politics is a very human business. For some people, getting a birthday card is very important, or a nice little letter commending them on something very important. You have to really work at that.

And if you're not good at it yourself, say you're the governor and you're not good at those kinds of things, then you better have some people around you that are, because everybody has an ego in politics. It's amazing. There are a lot of people that are very self-conscious and insecure. And they need to have somebody sort of pat them on the back every once in a while. If you forget a lot of those things--that's no different than business.

Program Development vis-a-vis Public Affairs

- Morris: That makes my question all the more of interest to me. How do you distinguish between what you were doing with the programs and policies unit and what Jim Jenkins and, later, Peter Hannaford were doing in public affairs?
- Livingston: It was very--Let me see if I can give it to you conceptually. Ed Meese could do a better job of this. He can do a better job at most things, summarizing it. I and the people working for me would develop, with the help of the experts, ideas.
- Morris: Experts in the governor's office?
- Livingston: And outside, Office of Planning and Research, legislators, or whatever. Ideas for law changes, legislation, that we felt would be helpful to the State of California and were in keeping with the governor's philosophy. So we had that responsibility. We also had the responsibility for seeing whether our ideas had enough support that they could be enacted.
- Morris: Would they fly?
- Livingston: It's one thing to suggest something and do it really, as so many people do, just to get your name in the paper, and then you really forget about trying to get it really done.

Jenkins and Hannaford, that operation was to merchandise it in all of the other forms. Mike Deaver--you can ask him--he was never a policy key. He didn't go to cabinet meetings. His attitude was: "You tell me what the governor wants to do, and I'll help him accomplish it. I don't need to be part of the decision. Should it be red or pink? You decide that it's red. Then I'll go out and work with that."

The public affairs people, basically the same thing: "Now, let's see, how should we announce this? Should this be a press conference? Should he run all around the state? Who should he include in this?" All the strategy of putting the best face on the idea was theirs.

My strategy was not only the policy development, and coordinating a lot of that--We were not original thinkers. We weren't just sitting there in a little cocoon thinking of things. And then we worked with, say, Jerry Martin. If it were going to be a speech, obviously Jerry Martin would do that. If it was a position paper that we were going to announce--

Livingston: That was the exciting thing. It was a very creative job. And the governor, basically, once he had made the decision, it was really turned over. You didn't have to keep checking back with him, "And now, Governor, would you be comfortable with a ten o'clock press conference?" You just say, "Governor, the way we're going to do this is this, this, and this. You're going to write letters to all the legislators, personally signed, encouraging them to take a look at this. Then you're going to give a speech to Town Hall," and so forth. He said, "Fine, if you think that's the way we ought to do it, that's fine."

Cabinet Breakfasts and Cabinet Meetings

Morris: At what point would Deaver, Jenkins, and Hannaford come in on how to merchandise it?

Livingston: As I told you last time, we had what were called cabinet breakfasts with those principals in the governor's office plus the cabinet people. A lot of it, as it was bubbling up, we would be talking about it at various phases. As I say, I would more than most comment on the policy implications.

And the great thing about the governor is that his attitude was you don't need to know anything about the subject to have an opinion. I mean, you're a citizen of the State of California, and you have a right to an opinion. Don't let the experts say, "Look, I'm the transportation expert here. I'm telling you this is the way to go."

If you're sitting there and you say, "You may be the transportation expert, but that's the dumbest idea I ever heard of," he wanted to have that kind of thing. And I was probably the biggest, to use an old expression, I was probably the biggest shit-disturber. I just would say, "Well, that is just ridiculous." And then they would argue with me. And afterwards they said, "Boy, you sure blind-sided me on that one."

I wouldn't comment on everything. In the cabinet meetings, we all kind of learned that you don't talk on everything. Ed was, as we used to call him, the Great Summarizer. You would never quite know where he was coming from until he began his summary. And the summary would give you some indication sometimes. Sometimes it wouldn't. He wouldn't have a strong

Livingston: opinion; he would just very factually indicate to the governor, "Well, Governor, you have three options here. You can do this, and it has these pluses and these minuses. Or you can do this, and it has these pluses and these minuses. And this--" And then the governor would say, "Well, I like two."

The great thing that I will never forget about Ronald Reagan is when it was hotly debated and there were real splits in the cabinet on various issues, or maybe everyone was for it except for one person. The governor at the time of the decision would go out of his way to explain why it was he chose the course of action he did. And that always made the person who lost the argument very comfortable and very willing to walk out of that room saying, "I got my best shot in, and he didn't agree with me. Now I can just work like hell to get the thing accomplished." That was very important, so that when you left you didn't put your hat on and say, "Oh, boy, the governor made a dumb decision." Instead he would say, "Now, I can appreciate where you're coming from, but these are the things I have concerns about."

Every time a decision was made, especially on very high, important, controversial issues, everybody walked out of that room saying, "I got my chance. I had my chance to argue it, and to present my case, and he decided to go the other way. So fine. God bless him. He's the governor. He has that right." And then we would all go to work on it.

Morris: Do you remember a couple of specifics when there was this kind of hot debate and Reagan made a decision that might have gone against some people?

Livingston: Yes, we had a big argument on what Proposition 1 ought to include [1973 tax limitation initiative]. Verne Orr and I, I can remember, were for a less restrictive Proposition 1 than was eventually agreed to. Frank Walton was very strong that it ought to be--As you remember, Prop. 1 was very restrictive in the way it was going to operate. And we just felt it was so restrictive the either we would be bloodied in the campaign, which we were, or it would cause the state to have such great difficulty. And so we took a little more pragmatic approach to it.

I think Ed tended to agree with us, but also felt that if you're going to go to all this trouble, you might as well put into concrete what it was you really wanted to do. And that's basically where the governor came down. That was one example.

Livingston: The other one, which I have to say on reflection I won, and I'm sorry I did now, was on whether--because of the oil crisis and everything else--the governor should veto a bill to create a new Energy Commission in California. I recommended a strategy which said, "Governor, even a bad bill, I don't think you can, in this climate, with gas lines around three blocks, veto a bill which is perceived to be helpful in solving the energy problems of the state. And therefore, I think our strategy ought to be that we ought to take what is not a good proposal and try to negotiate it into a position where you could feel comfortable signing it."

I negotiated for hours and days. And the final product, I was satisfied at that time, was not perfect, but so much better than what was originally introduced and not going to be that bad. The one thing that all of us forgot was that it would be implemented by someone else, and it turned out to be Jerry Brown.
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I felt strongly that it ought to be approved by the governor. And I was the only one in the room who thought so. Everyone else just said, "This is horrible. You ought to veto it. Just cut off the negotiations," and so forth. And the governor on reflection said, "No, I think Don has done as good as we can do." That was one where I'm sorry he took my advice, because we didn't get to implement it, and Brown put such crazies on that Energy Commission that it was always a disaster.

So that's a good example. There are many others, the Wild Rivers legislation, whether we ought to create a Bureau of Automotive Repair, the Southern Crossing, lots of issues that bring back fond memories.

Morris: You liked the debate.

Livingston: I did. As I started to tell you, one of my techniques, which was not unique to me, was, say there were eight items on the agenda, and I really cared about item three and item seven, I would reserve comment on the other items and kind of save my fodder. And the governor was very wise to that. Second one hotly debated, Livingston laying back, and all of a sudden he would turn to me, and he would say, "Well, Don, we haven't heard from you on this one." And I would say, "Well, Governor, I was kind of reserving myself for a couple of other items on the agenda." He'd say, "Yes, I know. But what do you think about this one? You're my legislative advisor. I don't want you to just pick and choose." Then I would say, "Well, if you want me to be honest with you, I agree with X." He always would follow the discussion.

Livingston: The one thing of tension, which you may have heard about or not, is that--The cabinet process, I thought, worked very well. In fact, my understanding is it doesn't work as well in Washington as it did in California. Maybe we aren't fair to compare them. The cabinet secretaries who had particular items that they cared about many times resented Ed, or Hannaford, or Deaver to a lesser extent, or myself, entering into the discussion because they had kind of lobbied their fellow cabinet members. And they thought they had kind of a clear shot. And all of a sudden out of left field Livingston would say, "Governor, I'm really sorry, I think Ike Livermore is a wonderful guy. But on this one I think he's dead wrong." All of a sudden the whole discussion would turn, and the guy would walk out of the room saying, "Geez, I thought I had all my ducks in a row, and all of a sudden you just blasted me."

That was our responsibility, to do that.

Morris: You hadn't communicated some of this?

Livingston: No, most of the time I would. If I were going to lay into something, I would do that. I wasn't a member of the cabinet per se. I was sort of cabinet rank. They used to call us the "back benchers."

Morris: But you weren't in the back bench. You actually sat around that first table.

Livingston: No, the cabinet say around the table. Hannaford, myself, Jenkins when he was in the office, we sat at chairs behind the cabinet.

Morris: I sent Ed Thomas a picture of how I thought he had described how people sat around the room. He and Ed were at the table.

Livingston: He and Ed, but Ed was a member of the cabinet. Ed Thomas was the cabinet secretary. So he was appropriately there. I sat around the table when I was deputy secretary of Agriculture and Services. If Earl Coke were not there, I would sit at the table. If he were there, I would sit on the back bench.

As the director of programs and policy, I carefully put myself with my back to the park [in front of the conference room windows that look out on Capitol Park] equidistant between the governor and in his line of vision, and Ed Meese and in his line of vision. I did it on purpose. I had a favorite chair. And if somebody sat in it, I would move another chair as close to it as I could, because then I could watch Meese and I could watch the governor. And I could achieve instant recognition if I wanted it. So therefore, I wasn't at the table. The table, to me, was not important, it was the fact that--

Livingston: And then some others would sit way over on the sofa. Like the legal affairs secretary. He would have very little to say, but obviously you're in government, you want to know what the action is; Herb Ellingwood would be way over in the corner, very rarely say anything. Bob Walker, who was kind of Mike's political guy, he would be way over there.

The press secretary, myself, Hannaford--Deaver very rarely was there. Every once in a while he would walk in the room in his shirt sleeves and hand the governor a message. It would be from Nancy, or it would be from somebody that he knew the governor was waiting to hear from. And the governor would then get up and go into his back office and take a phone call or whatever. Mike was very rarely there.

The only time he really ever sat in there--and I always kidded him about it--is if there was ever a bill to increase duck hunting in the Delta, or something to do with Fish and Game, because he is an active hunter, why, he definitely would come into the room. And all of a sudden you would hear such emotion and such drama and such rhetoric. I'd say, "My god, we have welfare mothers and all the rest of it, and now we're talking about duck blinds in the Delta."

We predigested a lot of the minutiae, his own schedule. We would predigest, sometimes, even the cabinet issues at these cabinet breakfasts. We would kind of talk about what Ike's approach would be. I would strategize with certain ones who would ask my help, because they knew that my comments on the legislative possibilities would either help or hurt their case.

Morris: Did you get Mr. Reagan up at the crack of dawn for these breakfast sessions?

Livingston: He didn't come to the breakfasts. The cabinet breakfasts were-- [interruption] I have to leave in about ten minutes.

Relations with Cities, Counties, and Minorities

Morris: I was going to move us on to my two urgent questions.

Livingston: You know me; I ramble on. So you have to stop me.

Morris: What you say is most illuminating. But I would really like a little on my question about input from cities and counties. And then the other thing is if we can talk a couple of minutes about the '74 transition.

- Livingston: Incidentally, I wrote an article for the California Journal on transition, if you can get that.*
- Morris: I've looked at it briefly. But it would be nice to have some of your personal backup as to why this was so important.
- Livingston: I can do that. But I was just saying in terms of the specifics of that, I'm very proud of that. And then I was asked to write an article, which I did.
- Morris: Yes, they are a very great resource on California.
- Livingston: On the cities, to be candid with you, it was a neglected area. We had some people that cared, but they didn't have the great access. When you wrote that Roger Magyar had been mentioned as being in that spot, I was trying to remember who he was. And I can kind of picture him. We had a group that basically was in the lieutenant governor's office. I think that was part of the problem. Cities and counties were kind of relegated to the lieutenant governor, and therefore they didn't get the exposure in the governor's office as they probably ought to. They had a group. What was that group called?
- Morris: Council on Intergovernmental Relations.
- Livingston: That reported to me. They mainly were just kind of fending these people off. We really didn't have much going with them.
- Morris: They weren't seen as a constituency at all?
- Livingston: No, they weren't.
- Morris: That's curious.
- Livingston: I'm being very candid with you. I don't think we did a very effective job on that. On welfare reform, obviously we had to get all the county people together and so forth. Cities--I would deal with Don Benninghoven of the League of California Cities. And I didn't have to deal with twenty-six mayors because there are just too many mayors and too many cities.

*"Why the Reagan-Brown Transition Went So Smoothly," Donald G. Livingston, California Journal, March, 1975. See Appendix.

Morris: That's the function of the League of California Cities.

Livingston: Sure, but what I'm saying to you is that they would love to have a conference a week on urban growth and urban problems and all that. We just didn't have time. And we never really had anybody, very candidly, who--how can I say it nicely?--who shared the governor's philosophy, understood what it was, regarding city and county government, and shared it and also was visible enough that the governor, or I, or Ed, or anybody else would listen to him, until the end.

Bob DeMonte, who headed the Office of Planning and Research under me, I also gave the responsibility for coordinating with the Council for Intergovernmental Relations. Well, Bob was a very articulate spokesman. And he did present certain issues to the cabinet, sort of more informational as to some of the things that we ought to be looking at. But by that time, it was really a little too late.

Morris: It's interesting because, looking at it with hindsight, the city and county people seem to be the logical implementers of the governor's interest in decentralizing government and less government.

Livingston: I think our problem is a little bit like the schools, which I told you about last time. We came up with all this educational task force, about all the wonderful things that local school boards could do to save money and improve curriculum and do all these things. We gave the report and then had hands off because our philosophy was we shouldn't be telling the local schools what to do.

We did a city and county thing about how we could do better at the local level. And that was really defensive, because we were very concerned about moves in the legislature to regionalize government. And we were opposed to that. But again, our philosophy was, all right, the cities ought to do these things, but let them do it. Don't tell them what to do. So we really got tripped up in our philosophy. We felt that cities ought to do this and counties ought to do that, and school boards ought to do that. Once we said it, and backed it up with facts and figures, and philosophical arguments, we then stepped away from pushing it on them, or suggesting how they do it.

Morris: Was that supposed to be Roger Magyar's function?

Livingston: It was, yes. You say, "How did his responsibilities--?" Mel Bradley was our house black. He was to be our liaison with the black community and that black constituency, period. Obviously,

Livingston: that involved the cities, and city relationships. But he was not a cities expert. He was the one in our administration who was accessible to leaders of the black community and when things got hot, Mel would bubble up through the staff thing. He was further down in the staff structure. He didn't have quite the visibility that I think he should have had that entire time. But when we did have a particular problem, then he would brief Ed, or the top people in the governor's office, and then we'd strategize something, and see what we could do.

Morris: His constituency would be like the Urban League and the NAACP?

Livingston: And NAACP, and sort of telling us what's on their mind. What are we doing right? But we didn't do much of a reach out to them. I'll be very candid with you about that.

Morris: But early on it looks like there was. I don't know if you would have been aware of it in '68, '69.

Livingston: Bob Keyes?

Morris: Bob Keyes, and then on the first staff roster in '67 and '68 there's a whole flock of people, several of them with Hispanic names who are in San Diego, Fresno, and things like that.

Livingston: That was a major attempt, but it was all window dressing.

Morris: Who found those people?

Livingston: A lot of them came from the campaign. We inherited a government, and this was a sensitive area. You've got to remember, you had the Watts riots in '65. But I think the more we sort of developed into it, some of the pressures went off, and we had student riots instead. I don't mean to be short about that, or cynical about it. But I think it was conceived sort of as a campaign follow-through, and then it just kind of died of its own--Because other problems took precedence.

Morris: And maybe your comment is the crucial one. There was nobody for whom it was really important with enough stature to impose their thoughts.

Livingston: And I have to say I was one of those who said I thought that that was one of our failings. I would not say that to the governor, but I would say it to Ed, that I really felt that we could have--Part of that was a problem of resources. It wasn't

Livingston: a question only of resolve. It was that you've got all these things to do, and certain priorities do sort of evolve. And that priority, it was contained, if I can use that word.

Morris: That's a good word.

Livingston: Our relationships there and the antagonisms that perhaps got built up were contained enough that you could have a Mel Bradley with not a very large staff kind of handle it without causing us to develop tremendous resources to deal with it.

Morris: There were some interesting appointments, however. I think on the Real Estate Commission and, was it the Veterans Department?

Livingston: Yes.

Morris: There was a guy who was black and who was put in as the--

Livingston: Flournoy, the other Flournoy.

Morris: Jim Flournoy, who ran for secretary of state on the Republican ticket in 1970.

Livingston: What's the other one?

Morris: Louis Johnson, who was appointed to the FEPC. I didn't bring that list with me. Mel Bradley gave me a list of black appointees.*

Livingston: And there were. I think he did very well. And that's one of the main areas that I think Mel was helpful in, because there were a lot of agricultural boards and advisory boards. And his input was to say, "Okay, fine. You have five WASP's on there. Why can't you put--? I've developed somebody here who I think would be helpful to us, think good of the governor if he were his appointee."

Institute of Contemporary Studies Established; Governor's
Labor Liaison

Morris: Let's do five minutes on the 1974 transition, and then I'll let you go.

*See interview in this series with Melvin Bradley, community relations aide to Governor Reagan.

- Livingston: [Reading interview outline] On the Institute for Contemporary Studies, yes, I was part of the origination of that. But frankly, I did not devote the time to it that others that you talked to have. I knew about the Institute, and wanted to be helpful on it, and did some work on it. I kind of requested that I might go on that board after we left. They kind of filled it up a little bit too much with Reagan types, and we wanted to expand a little bit, so I did not--I kind of lost interest.
- Morris: The idea from the beginning was a non-partisan, bi-partisan--?
- Livingston: No, it was to be a Reagan think tank.
- Morris: But you said there was an effort or an interest in having non-Reagan types on the board.
- Livingston: We wanted to expand it so that it didn't--It was for our purposes a Reagan think tank, but we wanted it to be perceived as more than that, as more philosophical, not just Ronald Reagan persona, that we were implementing a philosophy of government. Therefore, obviously, everybody on there was conservative. It wasn't staff-dominated, is what I'm saying. If I had gone on there with Ed and--I forget who else was on there, I think Pete was on there too--it would be too staff-dominated. So we tried to bring some people in who were no longer part of the staff but were Reagan types.
- Morris: Who was it who really took that on as their baby, or who started the idea?
- Livingston: Ed. I think so. I suggested some people to Ed, like Vince Jones of Sears. I think he may still even be on there. I recommended him from the private sector, who I knew would be a Reagan person but also would have an interest in that.
- Morris: Before we get past that, there's a Vince Kennedy, who was on some of the employment task forces.
- Livingston: Early on, before he retired.
- Morris: Is he still around?
- Livingston: I think he's passed away now. He was the head lobbyist for the retailers. Bob Shillito is his successor. And Bob's the one I work with in my current job now.

Morris: Was he involved at all during the governor years?

Livingston: Oh, sure. He took over from Vince, I want to say two years into the Reagan administration. Vince Kennedy was part of the first couple of years.

Morris: Would he be willing to talk to our project?

Livingston: Oh, sure, sure.

Morris: Where would we find the retailers' union?

Livingston: No, it's Retailers' Association.

Morris: Oh, the association.

Livingston: The California Retailers' Association. It's Bob Shillito, area code (916) 443-1975. Just tell him of our conversation.

Morris: He's management, then.

Livingston: He's the executive vice-president. He's the top professional.

Morris: Did you have somebody in the union world that you dealt with?

Livingston: We dealt with Jack Henning primarily, and John Cinquimani [former secretary-treasurer of Los Angeles Building and Construction Trades Council, now deceased], who is now retired from the building trades, who was friendlier to us than Henning. That would take a longer conversation that I really can't get into. I ended up in the last two or three years being the principal labor liaison. In other words, I had good relationships, primarily through my legislative contacts, and did some negotiations on workmen's comp. and UI [Unemployment Insurance], and so forth.

1974 Transition; Later Contacts with Governor Jerry Brown

Livingston: Quickly, on the transition, we had the idea, and it was based on Ronald Reagan's coming into Sacramento and arriving and meeting Pat Brown, and Pat Brown gave him short shrift, and then he walked over to Hale Champion, and Hale Champion turned to the governor and said, "We're spending a million dollars a day more than we're taking in. I have a golf date. God bless you." And that was their transition.

Livingston: Ronald Reagan felt very strongly and Ed if not more strongly felt that no matter who was elected governor, that we were going to do it professionally, and we were going to do it right. We set aside funds. We went to the legislature two years in advance and said, "We want to set aside some funds in the state budget for a highly professional, organized transition for whoever is governor." Ed then asked me to supervise that activity. I have to say it was kind of bifurcated. Verne Orr was the head of transition in terms of Department of Finance. The whole budgetary process is almost one transition all to itself.

Morris: True.

Livingston: And then the rest of it, all of the departments, the governor's office itself, all of the rest of the transition, I was in charge of. But Verne was definitely in charge of the Department of Finance transition because it involved budgets. You ask the new governor, who happened to be Jerry, saying, "Do you want the budget we print two months from now to be your budget or Ronald Reagan's old budget? If you want it to be yours, then you've got to just roll your sleeves up and start rewriting it. We'll show you what we're going to do, but if you want to allocate five hundred million instead of four hundred million--" At some point it becomes his budget. He decided to do that.

Morris: Jerry did?

Livingston: Jerry decided to do that. That's the one area in which I think he did a fairly remarkable job, because he became really an expert almost instantly on the budget. But the rest of the transition, we went to a lot of trouble to have each of the departments do briefing books, what it is they do, who their employees are, what are their problems; beautiful books. Most of those were not used because Jerry was not prepared to implement a professional transition.

I have to tell you just quickly, the fun part about it was that a week before the election we sent a telegram to both Hugh Flournoy and Jerry Brown saying--

Morris: This is the last week of October?

Livingston: Yes. "We don't know who's going to be elected, but we would like to invite the winner and his staff to lunch with us in Sacramento on the Thursday after the election to begin the transition process." Jerry was elected. He came and that was the one where we had the two hamburgers and a coke for the menu.

Morris: You provided that for him. That was naughty.

Livingston: That was Deaver's and my idea because Jerry, of course--And everybody loved it. I mean, it was very funny. The press loved it, and so forth. But it started off the transition process. And Jerry Brown is not a well-organized man. He had Warren Christopher. He had some very top-notch people join him that first meeting--but then he turned over the transition to Gray Davis. And so that's how Gray and I got to know each other.

Morris: Is Gray a well-organized person?

Livingston: Yes. Much more so. And he was agonizing, because he wanted to be what I was in the Reagan administration at one point. That was director of Consumer Affairs, because he wanted to run for office. And Jerry asked him, like on election day, to be his chief of staff. And he was saying to me, "I don't want to do that." I said, "You're nuts. You're crazy. You can be part of the Consumer Affairs Department any day of the week. You be the executive secretary, chief of staff to this governor, and you're writing your professional ticket." And he did a very good job. There were some people saying that he was governor most of the time.

So we had really worked hard to make it a highly professional effort. They were not capable, and I'm not saying that with any antagonism; they just weren't organized well enough to accept all our briefing books. Some of them I think were read and then sat on the shelf. They left about ten Reagan appointees in department positions six months later. They hadn't filled in half the governor's office before the inauguration.

We did an effective job. And what we did was very effective for them. They adopted the Reagan cabinet system, which Ed and I convinced them they ought to do. They changed it maybe three years later to kind of adapt to his style. I, of course, met with Rose Bird, who was his secretary of Agriculture and Services, Richard Silberman [finance director] and Don Burns, all of these people that were--

Morris: As soon as they were appointed?

Livingston: Yes.

Morris: Had they been appointed by--?

Livingston: He appointed slowly. He pretty much had his cabinet, as I recall, in place by inauguration time. But very few department directors. That was a very fun experience. The detail of that is

- Livingston: in my article. And, of course, these briefing books I'm sure are part of the Hoover files. They ought to be.
- Morris: It's interesting because there were a couple of briefing books. Bob Monagan talks about having put together a briefing book for Mr. Reagan, and having the same feeling that nobody really-- *
- Livingston: You mean when he was first elected?
- Morris: Right, in 1966, and that nobody really understood what it was all about.
- Livingston: You've got to remember that Ronald Reagan came in there being against government and against all these incumbents. He didn't even trust Republican legislators when he was initially elected.

But the fun thing--You asked about Little Hoover on there. I ran the transition and--in fact, frankly, very few people know this, but it is part of the history of the thing--Jerry liked me so much, and the job that I was doing, he asked if I would stay in the new administration?

- Morris: Did he? In the governor's office?
- Livingston: Yes. And we had announced about a month before, we had announced my new position here at Carter Hawley [Hale Co.], and he tried to talk me out of that. And I said, "Jerry, for the first time in my life, I'm finally going to start making some money and return to the private sector. And I philosophically am not your kind of guy. You may like me because I smile nice. But basically, I would not agree with you on very many things." So he said, "Well, gee. I want to do something nice for you because you've been so nice." I said, "Well, that's fine." So he invited my wife and me to the inauguration. We were his guests. And I stayed an additional week.
- Morris: In January, 1975?
- Livingston: Yes, to sort of help in that first inaugural week. Then about two weeks later he called me up and he said, "Hey, Livingston--" I answered the phone, I thought it was a joke. I thought someone was kidding me. But it was Jerry himself, not his secretary. And he said, "I've got this Little Hoover Commission thing here. And the law requires me to appoint two Republicans. I've called Verne Orr and asked him if he would serve. And he said yes. You're the only other Republican I know and like. Will you say yes?" And I said, "Gee, I don't know. I'm brand new at the

*See interview with Mr. Monagan in this series.

Livingston: company. I don't even know what the company policy is. I'd have to check with Phil Hawley." And he says, "Well, God, you've got to let me know because the press release is being typed." He just wasn't used to having anybody hesitate, I guess.

I did get the message finally from my boss. And he was flattered. He said, "My God, we hire a Ronald Reagan conservative and the first thing that happens to him is he gets appointed to a statewide post by Jerry Brown." So he was very pleased.

The one conversation I had with him, I said--because at that time on the Little Hoover Commission, you served at the pleasure of the governor. Now it's a term appointment. If he appoints you, you get a term appointment. I think it even requires a senate confirmation. In those days, it was a pleasure thing. And I said, "Let me say this, when I am on that commission, when I agree with you, I will vote the way you want me to vote. When I disagree with you, I won't. And if that ever causes you a problem, then you will have my resignation on your desk. I'm assuming you want me here for my perspective and intelligence based on my experience in Sacramento. But I'm not here to do your bidding." And he respected that.

And about three years later--Gray Davis knew I always wanted to be a state university trustee. And I was one of those who missed out--Ronald Reagan actually ran out of appointments. He actually promised one to me and promised one to Frank Adams of Alameda County at the same time. And they felt that because of Frank's age and everything else that he should get it. So I was very disappointed. But then Gray recommended to the governor that I go on the state university trustees. He had not appointed any Republicans. And so that's where I am now.

##[End of Interview]

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Why the Reagan-Brown transition went so smoothly

Despite massive partisan differences, the baton of power was passed from Republican Ronald Reagan to Democrat Edmund G. Brown Jr. smoothly and efficiently. It didn't happen by accident. In the following article, Donald G. Livingston, Reagan's former director of programs and policy and a leader in the outgoing governor's transition team (now corporate secretary for Carter Hawley Hale Stores, Inc.) explains how and why the change of command went as smoothly as it did.

By DONALD G. LIVINGSTON

On January 6th, Inauguration Day for California's "New Spirit" governor, Edmund G. Brown Jr., the team of "Creative Society" Governor Ronald Reagan was swept out of office, right? No. In fact, almost all of the state departments in the executive branch were still headed by Ronald Reagan's directors. How this happened is very simple, but a little more complicated to explain: The transition of power from Governor Reagan to Governor Brown had gone extremely well and continued into the first weeks of the new administration. To long-time Sacramento watchers, the key question had been: How could Ronald Reagan and Jerry Brown and their top staff people agree on anything, much less work together cooperatively?

Cost of transition

The "Gubernatorial Transition Project" actually began in January 1974. At that time, even before anyone had formally filed their candidacy for the June gubernatorial primary, Governor Reagan requested for his successor \$125,000 in new state money for transition purposes to be used immediately after the election. This was a unique proposal for California, and it received bipartisan support in the Legislature and wide editorial acceptance. Reagan remembered how difficult it had been for his new administration after the 1966 election. All of the transition expenses — including office space, staff, transportation, mail, telephone — had to be financed from campaign funds, a very unsatisfactory and expensive proposition.

The Reagan idea for transition support was discussed at length by the Legislature, and agreement was reached to provide:

- \$125,000 to the new governor from the election until the inaugural.
- \$25,000 to the new governor for two months' expenses relating to the transition after assuming office.
- \$25,000 to the outgoing governor to assist him for two months to gather his papers and provide historical documentation on his administration.

In addition, the Legislature passed a bill (SB 1984) that

required the staff of the Department of Finance to report to the new governor immediately after the election and assist in developing the new administration's first budget.

During the summer and fall of 1974, preparations were made, under the direct supervision of Reagan's executive assistant, Edwin Meese, to develop briefing outlines, supporting material, statutory references and historical documentation for each of the departments of the executive branch, and of the governor's office itself. By election day, "briefing books" had been prepared by each agency secretary, department head and the Governor's senior staff. These books described the organization, identified key positions, spelled out the methods of operations, outlined programs and statutory responsibilities and authority, indicated types and level of program funding and budget process, pointed out significant issues and work in process, and described staffing capacities and available physical facilities and research materials.

The process starts

A week before the election, telegrams went to all candidates for governor, inviting the winner to join Reagan and his top staff people for a meeting on the Thursday following the election. Governor-elect Brown accepted the invitation and, to the accompaniment of the entire Capitol Press Corps, Governors Reagan and Brown began the formal transition process. The initial meeting lasted more than 3½ hours. Part of the first meeting included lunch in the Governor's office, with a light-hearted "two hamburgers and a Coke" reminiscent of the Governor-elect's well-publicized suggestion that such a bill-of-fare was



enough for business lunches between lobbyists and public officials.

The initial meeting set the stage for the formal transition process. This included further meetings between the two Governors, meetings between Governor-elect Brown and each of the members of the Reagan cabinet, meetings between Meese and his successor, Gray Davis, who headed Governor-elect Brown's transition team and was named in late December to serve as his executive assistant.

The Brown transition team set out to accomplish at least three objectives:

- Analyze each department of state government and recommend to the Governor-elect appropriate policy changes.
- Organize a program to recruit the best possible candidates for appointment to administration jobs.
- Assume control of the preparation of the state budget for fiscal year 1975-76, which by law had to be presented to the Legislature by January 10th, 1975.

While some additional tasks were performed (including establishing initial liaison with legislators), the emphasis was clearly on preparation of the budget, recruiting applicants for state jobs, and analyzing the performances of existing departments of state government.

The transition plan, formulated chiefly by Governor-elect Brown and Gray Davis, was devised so that the three principal tasks were related. (For example, the analysis of the performance of the Department of Health would assist Governor-elect Brown in the preparation of the budget for that department, and the knowledge gained by the Governor-elect from working on the budget enabled him to give more specific instructions to his personnel-recruiting team.)

The transition process was misunderstood by some. It was designed to explain how and why certain things operate in state government, and it was up to the new administration to decide *later* whether things should change and to effect those changes. The Reagan administration continued to run state government until the new administration took over; on the few occasions when some-

one on the Brown team instructed Reagan staff not to take certain actions, a phone call to Davis or Brown quickly set matters right. The Reagan people wanted to be cooperative with the new Governor's team, but they still worked for the Reagan administration and had an obligation to carry out their policies until the changeover.

Keys to success

Because Governor Brown chose to take over the responsibility for the 1975-76 budget, he was immersed in the budget-making process for most of the transition period. Therefore, some transition briefings and many decisions on appointments were postponed until the last two weeks in December. This is one significant reason why so many Reagan directors were still on the job on January 6th, and even much later. This willingness to ask the incumbents to stay on is a credit to both Reagan and Brown — as well as to the directors themselves.

The transition worked well because of several factors:

- The two Governors set a high tone for the transition.
- Mutual respect and trust quickly developed between the two transition teams.
- Transition between a retiring governor and a new governor would most assuredly be smoother than between a defeated re-election candidate and the victor.
- The task of change-over is too important to permit partisanship and rancor to intrude.

The events of January 21, 1975, probably best reflect the quality of the transition. On that day, former Governor Reagan returned to Sacramento officially for the last time to participate in the public unveiling of the portrait of him that hangs in the Capitol. Governor Brown attended the ceremonies, and before the assembled group publicly commended Governor Reagan and his staff for the transition effort, which he said got his administration off to a "running start". And in a jovial reminder of a prime controversy between the two men — the new executive residence under construction in suburban Carmichael — Brown stated: "Governor Reagan, you are welcome back to the Capitol any time. In fact, there will always be a home for you in Sacramento." 🏠

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