



Gray Davis

Photo-Gray Davis Collection

A California Story

by Aaron Read and Terence McHale

During the unveiling of Gray Davis' official portrait in the California Capitol, his wife, Sharon, emotional, and close to tears, turned from her speech to the crowd of friends, political insiders, and the Schwarzeneggers, and said simply how proud she was of Gray and how much she loved him.

It was a nice moment, human, bare, and honest. Gray was obviously moved. He was standing to the right of the Governor, a bit in the shadow, and his bottom lip began to quiver, almost childlike, and he struggled, his head down and for a very long minute his face reddened and he battled tears. Just before it was his turn to speak, there was a hug from Sharon. Still not yet completely in the spotlight, Gray stepped past his wife and paused at the podium, his head remaining down, and there was a sense that a vulnerable side of Gray was about to be revealed.

After taking a deep breath, Gray looked up. The lip was firm. The tears were gone. One of his familiar anecdotes was soon to be shared. Gray was in charge. The tight public smile was back and what had moved him just moments before was hidden away.

It was a reminder that the public Gray was never as compelling, or as important to his overall success, as the private Gray. Although a significant public figure for three decades, and a candidate often enough that California voters have cast more ballots for Gray Davis than for any other California politician, he'd managed to spend his adult life at center stage without losing his valued privacy.

The television and newspapers never captured what Gray actually looks like up close, his light coloring and white hair, and stiff discomfort in front of the cameras oftentimes giving him a washed out and pale appearance.

Interestingly, his official portrait comes closest to providing the most accurate portrayal.

Chad Condit, Gray's former constituent representative for the Central Valley and a Navy veteran, said Gray carries himself like an admiral.

Gray has always been disciplined about working out and at the age of 63 is lean, not skinny, tall, mostly unwrinkled,



Gray Davis

although there are light bags under his very clear, very sharp eyes. A high school basketball player and starting shortstop, he just missed making the Stanford baseball squad. He has large, strong hands. What comes across as arrogance or diffidence in public is self-assuredness and comfort in private. More athletic than any other modern governor, it is noticeable that he has perfect posture and the physical presence of someone who is constantly active. In person, up close, he is appealing, and while you get a sense that he is familiar, he is not what you expected.

Gray can be charming when he wants to be. He's been asked a lot of questions in his lifetime. He is accustomed to answering them, sometimes at length and other times with a decided curtness. A longtime colleague said, "For thirty years Gray has been surrounded by the best and the brightest in California and is usually the last one to speak when decisions are made."

California Conversations met with Gray at his law firm above Century City in Los Angeles. His new office overlooks a golf course, and is within view of the condominium where he and Sharon have moved since he left public life. He has a young and rather beautiful administrative assistant, but the years of having a large staff meeting all of his needs are behind him.

Gray offered us something to drink. He got it for us himself. He was relaxed, and if he is bothered that someday his obituary will open with the fact that he is the only California governor ever to be recalled, it certainly doesn't show. He was in good humor. In small talk prefacing our interview he recalled in uncanny detail specific golf shots from games played years before, and he joked about driving again after seventeen years of being chauffeured. Gray was wearing a light blue shirt, a pair of slacks and a subtle southwestern style belt.

His desk was clear. There were no limits placed on our conversation.

CC: Can we talk about your father? It seems he takes a hard hit in articles about you.

GD: My father was very much an extrovert, out-going, upbeat, optimistic...he was in advertising and he came out to California to head up a public relations and advertising aspect of Sports Illustrated. This was back in '54 when they didn't know if Sports Illustrated was going to have two editions or still live on

CC: **You were eleven when you moved to California.**

GD: Right. The house was on a hill. You can't see it from this office, but it's not too far from here. It was like a fairyland. We came from New York where the weather's not great. I remember at our first Christmas my father made a point of swimming.

CC: **Happy childhood?**

GD: I played a lot of sports. I was just enjoying life, being a kid.

CC: **Big Dodger fan.**

GD: I was a big fan. In Ebbetts Field (Brooklyn), you could make your way down by first base. For some reason the Dodgers had the first base dugout and not the third base dugout, and Pee Wee Reese and Gil Hodges would just come over and put their arm around you. That was a huge deal for a young guy.

CC: **You went to military school when you moved to Los Angeles?**

GD: Yes, Harvard School. We had formation, I think, twice a week and one day a week we had drill exercises. But you wore a uniform the whole time.

CC: **What was your mother like?**

GD: My mother was in many ways the opposite of my father- also very loving, very positive, very reassuring, but very determined. She was also a pretty good golfer. In those days, they played match play where whoever won a hole was one up. She got to the finals four times, and she always won. My mother came through when it really counted.

CC: **Did you realize there were problems between your folks?**

GD: I didn't know there were any problems in the world. I believe I was a sophomore or junior at Stanford, I forget which, and I got a letter from my mother in the spring of the year saying they decided to divorce and were independently moving back to New York.

CC: **That was the first inkling there were problems?**

GD: Obviously, there was some...my father had a tendency to exaggerate and overstate things, but I never thought that would lead to the break-up of the marriage... you know, I was close to them both growing up. I loved him. I love my mother. I was surprised and saddened to learn after the fact some of the problems he created for my

mother (the family finances were in tatters).

CC: **After the divorce you didn't speak to him for thirty years?**

GD: (pause) I don't think it was that long, but it was a long time and it was amazing how God works. I got a call from my mother saying a family member was getting married in New York City and my father was coming, which was a big thing for



In New York



First Communion



Gray under the arm of his favorite Dodger, Gil Hodges

today. He had wonderful qualities. He was loving and caring and very emotive and encouraged my four siblings and me. As was not uncommon with fathers of his era, he worked a lot and unfortunately became an alcoholic, which led to some other problems, which resulted in my mother and him divorcing. I thank you for raising the question, because like everyone else, my father was not one-dimensional. He was a lot of positive things.

my mother, because they had been separated a long time. My father stayed at this place called the Westchester Country Club. We got to hang out a little bit there. We drove in together to the



Thousands of kids see the Governor each year

wedding and drove out again. Two months later, he passed on. So that marriage brought us back together and it was a cathartic experience.

CC: Were you surprised by the physical changes in him?

GD: You know, aside from losing his hair and wearing a hairpiece, he was just a little bit heavier. He had a lot of heart problems. He had a four-way by-pass, he'd had an angioplasty, he had two or three other heart procedures, so he was forced to stop drinking, stop smoking and take a little better care of himself.

CC: Was he successful?

GD: He enjoyed some success in life. He raised five kids, and we're all doing well. He made quite a bit of money in his life. He tended to spend more than he made. It depends how you define success. He had a very good second marriage. I think he was probably happy with the life he'd led.

CC: The role of Catholicism in your family?

GD: I've taken it far more seriously later in life. I really believe there is a higher power, and that this earth didn't just happen. It was created for a reason, and I believe our whole purpose in life is to help other human beings, particularly those in need.

CC: Do you still take the sacraments?

GD: Yes. The bishop of Sacramento precluded me from

taking the sacraments in his jurisdiction because of my view on choice. But, we (wife Sharon) always went to church at Good Shepherd in Los Angeles, so I was able to take the sacraments here.

CC: Backing up, you entered Stanford in 1961?

GD: No, the fall of 1960. The first couple of years were a continuation of my almost idyllic life. I joined the golf team. I'd play golf almost every day and go to school. It was like I'd died and gone to heaven. How could things get any better? The last couple years at Stanford I began to enter the real world. With my parents getting divorced, with Kennedy's assassination, with Vietnam beginning to loom on the stage, I began to see the world as not as idyllic as it had been for the first twenty years of my life.

CC: Was your financial situation different?

GD: Yes. Once my parents divorced I started 'hashing', basically serving food at the fraternity and cleaning up afterwards to earn some money. I also joined ROTC when I was a sophomore, and it obligated me to serve two years in the military. At the time I made the commitment, there were no military efforts, nothing, and they had a six-month program for

“I had never raised a nickel in my life. By the end of the campaign I knew how to raise money.”

officers and I thought, 'Hey, this is a sweet deal. I have to sign up for this puppy.' But, by the time I got out of law school (Columbia), we were in Vietnam big time.

CC: Was college fun? Did you load up the car with beer and go out drinking with the boys? Raise hell? Chase women?

GD: All of the above. (laughs) My senior year, my fraternity was kicked off campus for three years. I like to believe



Gray, Lynn Schenk and Gary Condit

for the sins of my predecessors. They like to believe because of our shortcomings.

CC: Were you thinking of a political career?

GD: I was thinking about golf and enjoying life and I remember drifting along like a young Mr. Magoo.

CC: **You were in Vietnam in 1968?**

GD: I went over in December of 1968 and came back in the late summer of 1969. I was in the signal corps, which was the communications branch. I was in helicopters almost daily. We came under fire on a number of occasions, but my experience paled in comparison to somebody who was in the infantry.

Vietnam shaped the political and social movements of the 1960s. 1968 was a particularly difficult time in American history—a year that began with the Tet Offensive, the brutal assault that committed the North Vietnamese to winning the war; and in April and June were the murders of Martin Luther King, Jr. and Robert F. Kennedy. There was a crumbling of old standards, accentuated in our country by violent civil disobedience, including hateful, confrontational college demonstrations and the bloody fighting in the streets of Chicago during the Democratic National Convention.

The so-called 'Generation Gap' separated the longhaired, wildly dressed, morally experimental young people from their parents. Gray, a fifties child, having graduated from Stanford and excelled at Columbia Law School was caught somewhere between the generation of his parents and the suddenly defined "flower child" ideals of kids just a few years younger.

Gray went to Vietnam instead of trying to avoid military service. He would be awarded the Bronze Star. However, more striking than being in harm's way himself, was the impression he could not shake of how people of color and those who came from

challenging economic circumstances were carrying a disproportionate share of America's burden in the war.

Captain Gray Davis began practicing law after Vietnam. One of his Assembly colleagues later joked, although insisting there was more than a little truth to his sentiment, that if Gray had stayed with the law instead of venturing into politics he had the single-minded concentration either to get very rich or go to the Supreme Court.

Davis interrupted his law career to work on the mayoral race of a black, former Los Angeles policeman, Tom Bradley.



Gray with Speaker Herb Wesson

CC: **Tom Bradley?**

GD: Tom Bradley was an enormously impressive man. He had great bearing, and like a lot of trailblazers, he suffered indignities - many of them in silence. I think of him in some ways as a Jackie Robinson of politics. He wasn't the fieriest of speakers, he wasn't a flamethrower, but he had enormous courage and perseverance. I was with him in his second, but first successful run for Mayor of Los Angeles. It was a great moment, May 29, 1973. Even after being elected Governor twice, I consider that moment, May 29, 1973, one of the proudest of my life. I played a small role, but Tom Bradley

getting elected was a big thing in my life.

CC: **You were 29-years-old?**

GD: I might have been 30.

CC: **You were Tom Bradley's fundraiser?**

GD: I had never raised a nickel in my life. By the end of the campaign I knew how to raise money.

CC: **Did you like raising money?**

GD: Running for office is expensive, and if you can't bankroll it yourself, you have to raise it.

Fundraising is a tedious task that in simple terms involves calling people with money and persuading them to contribute to causes or candidates that matter to the caller. The dichotomy of Gray's political career is that he was so often viewed as cold and impersonal, yet he had an uncanny ability to make dozens of calls in a single day and by a mixture of political acumen and being able to impress if not charm, cajole millions of dollars from benefactors. A friend from the Legislature, admitting his envy, remembers Gray having two rolodexes the size of truck tires while the rest of his colleagues had 3 x 5 tiny box files.

Certainly aware of the perceived conflict that fundraising leads to unfair access, Gray was quoted almost twenty years ago in a Los Angeles Times article as saying, "There ought to be public financing for every campaign." Since that, of course, is a pipe dream as far from reality as removing politics from policy, Gray embraced fundraising with such vigor that his ability to raise money became legend, a gold coin and an albatross.



Gray and Sharon in China



CC: After the Bradley victory, you ran for Treasurer against Jesse Unruh the legendary former Speaker. Did you like him?

GD: Jesse Unruh and I were very different people. After he beat me in the 1974 primary, I helped him in his general election campaign. He called me 13 years later on a Monday afternoon, Friday being the close of filing for office, asking me if I'd filed for re-election to the Assembly (Gray was elected to the California State Assembly in 1982). I said no, but I planned to do

“If people are here making a contribution to our society, paying taxes, then we ought to accord them some rights.”

so. He said, well you might want to wait because he didn't think Ken Corey was going to run for re-election as Controller, and I might want to see if something developed. So, just being alerted by Jesse to the possibility of the Controller's office being open I considered a favor (laughs), even though I think he alerted a couple other people, too.

CC: Did you socialize with him?

GD: No.

CC: When does Jerry Brown come into your life?

GD: Well, a couple times. I met him during the Bradley campaign, and he asked me to help him run for Governor. I said

I'm going to run for State Treasurer. Then I lose, and he calls back through an intermediary. We meet and I end up joining his campaign, I want to say probably in the month of June if not the first couple days of July in 1974.

CC: First impression?

GD: I was impressed with someone who had dispatched Bob Moretti, the Speaker of the Assembly; George Moscone, who would become the mayor of San Francisco; Jerry Waldie, a democratic fixture and a popular politician; and William Matson, who spent \$11 million on the primary in 1974. I don't know if that's more than the \$44 million that Al Checchi spent against me in 1998, but it's probably a comparable amount. So, I thought this guy had something unique to defeat these seemingly more prominent people.

CC: Personality-wise, how did you guys work?

GD: Well, Terry, the first thing you have to understand is I was hired to be deputy finance director, so I'm down the pecking order. I didn't view myself as a peer; I was just doing my job. We got along fine, because I wasn't expecting anything. I thought he would win, and if he won, I'd go back to practice law. Near the end of the campaign, I thought maybe I'll ask him if he'll make me the head of a department. But even that was not fully formed in my mind. I was just enjoying the ride. Then at the end of the race (crosses his hands flatly in the air in front of him) and I had nothing to do with this, he decided to change the people around

him. So all of a sudden I vault to the top of his list to be what was then called Executive Secretary, but is now called Chief of Staff.

CC: Why did he choose you?

GG: I was surprised. (laughs) I was always working when I was around him, and I was too busy to worry about impressing him.

CC: He's seven years older than you, seven or eight?

GD: I think it's five or six. He claims to be 67, 68 now. I don't know.

CC: Did a close, personal friendship develop between the two of you?

GD: I like him a lot.

CC: Is he one of the most important people in your life?

GD: Absolutely. Absolutely. Jerry is one of the brightest people I've ever met. He has an extraordinary mind and he can keep seven or eight different thoughts going in one conversation without losing track. It's quite remarkable. He's a pure Jesuit, so there's no idea too outrageous for him to seriously consider.

CC: At what point did he go from a politician of the future to being labeled "Moonbeam?"

GD: It was probably too much, too quickly. I mean, 1976, he's been in office a little over a year, and he decides to run for president. (laughs) And he decides around March of the election year to start running. To put it in perspective, people now begin thinking about running for 2008 in 2005.

CC: Was he losing interest in being Governor of California?

GD: No, but clearly he had Potomac Fever. He wanted to be president.

CC: While he's campaigning, are you making decisions for the administration?

GD: I didn't say what do I, Gray Davis, think we should do. I would try and imagine what Jerry would do. I would talk to him several times every day and I had a pretty good sense of what he wanted on the major issues.

CC: That's pretty heady stuff for a guy who two years before was hoping he could get a job running a department.

GD: No question that I benefited from his meteoric rise. Jerry was a political wunderkind.

CC: During that time, you dated the supermodel, soon to be actress Cybil Shephard?

GD: (pauses still answers) No, that was earlier. I met her in 1964. She was part of a tour group. I was a tour guide for a travel agency. She called me up in 1968. She was in New York going to a Miss Teen contest and wanted me to be her date. She ended up winning the thing. We dated three or four times after that, but that was well before Jerry.

CC: Is there a still a friendship?

GD: I like her. I think fondly of her, but I didn't really see her after that.

CC: Is there the quote where she said you were scintillating?

GD: (amused) I don't think I've ever been described as scintillating.

CC: You never heard that she said that?

GD: No. (laughs, waving the question off) Let's move on.



The political life

In 1978, Gray was Chief of Staff and he arrived at the airport late for his flight. The plane was held until he boarded, a habit that some of his subsequent aides would remember as a bad habit that even led to him being booed as governor many years later. On that particular day, however, it was a flight attendant who chastised him

for his behavior. A genuine love affair followed, and just shy of his fortieth birthday they married. Many of the aides closest to Gray marvel that when his wife, Sharon, was around he was calmer, more at ease, less distant and what some have described as social shyness, disappeared. Articles as far back as 1983 mention the two of them talking about having children. Like Jerry Brown and Pete Wilson, Gray Davis would have no children of his own.

CC: So many people say you have lived a love story with Sharon.

GD: (immediate) Sharon is just a gift from God. She is pure joy. That's the way she was born. I'm blessed that she's in my life. She was one of seven children. Her father was in the Navy for 27 years. They were conservative Republicans but not judgemental. But Sharon just is a wonderful person, who has not only brought great joy to my life, but to almost everyone with whom she's come in contact. There's no artifice and no guile and what you see is what you get.

CC: Did she make the gubernatorial recall more tolerable?

GD: Yes. She made all the good times and the bad times better. I go back to our election in 1998 where I can't tell you how many people wrote me off, even though they were life-long friends. It was basically Garry South and Sharon and two or three other people. Everything broke right; Dianne Feinstein doesn't run; Checchi attacks Harmon, Harmon doesn't respond, and I was finally able to raise money. We win the election by 20 points. I say afterward, "Sweetheart, you were fabulous. (laughs) You were responsible for at least two points." After about ten seconds she said, "No, you might have been responsible for two points." And she was right. She was fabulous. She puts things in perspective.

CC: Did you and Sharon ever double date with Jerry and his rock singer girlfriend, Linda Ronstadt?

GD: (patiently smiles and shakes his head) Jerry's life was pretty free form in those days, and on at least one or two occasions we would end up at the same place together. I recall going to a Linda Ronstadt concert and we met Linda at her house in Malibu and drove to the concert. That would be the closest we came to double dating.



Visiting on the West Steps

In 1982, Gray runs for office himself. He wins a seat in the California State Assembly, representing a western portion of Los Angeles. A missing little boy named Justin Lyles comes home during this period of time because his face was spotted on the

back of a milk carton, a clever idea that gave notice to the fact that California children were going missing everyday and if they were seen Gray Davis wanted them saved. His colleagues said it



With L.A. Mayor, Antonio Villaraigosa

was a program that had no down side, accomplishing a common good, and at the same time giving Gray a forum. While only a few children were actually found, the public relations effort highlighted the crisis in a way that television programs in later years would follow. Davis was criticized roundly in some circles for grandstanding, but it was also another step in making his a recognizable name statewide.

CC: Did you consider other options besides the Assembly?

GD: I gave some thought to running for Lieutenant Governor against Mike Curb, but I decided pretty early on that I should run for the Assembly. I think I left Jerry in October of 1981, and I came down here and spent a year running for office.

CC: Tough race?

GD: Turned out not to be. The field got pretty much cleared when my main opponent decided to do something else.

CC: You had a major health scare in your first term - a brain tumor?

GD: Yeah, it was 1984... the first symptom was my left eye; the vision would be like those old TV sets that wouldn't hold the vertical. That would happen maybe once every three or four weeks. I went to a doctor. The next day, he had me in the hospital. It turned out to be a benign tumor. I didn't have to stew about it much because within 24 hours we're having the operation.

CC: You didn't share with anyone what you were going through.

GD: No, and I'm not sure I'm alone in that. I think when people have health problems they tend to keep it to themselves. First, because you're not sure how it's going to turn out and second, you don't want the whole world thinking you're at death's door.

CC: This episode made you a different person?

GD: When I met Sharon, I used to drink straight gin and I'd

pull the skin off crispy fried chicken, thinking I was doing something healthy. After this operation, my whole life changed. I went to conferences where they talk about foods that help fend off certain diseases. Now, remember, this is a change that progressed over about a five to seven year period - it wasn't like operation, diet, never change what I eat. It sort of evolved over five to seven years.

CC: So, what do you eat?

GD: I have a fruit, soy milk and tofu shake in the morning. Then I have a turkey sandwich with fresh veggies, which are usually broccoli and celery and carrots, and then I have turkey or chicken for dinner. I eat warmed tomatoes because they are healthier than cold tomatoes.

CC: Every day?

GD: Right. But, you know what, it's not food I dislike. I enjoy eating it. And if someone were to say, would you rather have a 15-

ounce steak or a turkey sandwich, I'd take the turkey sandwich, because I actually enjoy the turkey sandwich more.

CC: You don't eat dessert at all?

GD: I like fruit.

CC: Fruit doesn't count.

GD: (laughing) Fruit and vegetables are good for you.

CC: ...your wardrobe? If I opened your closet what color shirts would I find?

GD: There are different shades of blue and the rest are white; although, I have sort of a turquoise shirt that I wear without a tie.

CC: When you're feeling wild?

GD: Yeah. (smiles, sort of)

CC: How did this happen?

GD: When I grew up, that's what you wore. You wore white or blue shirts.

CC: A lot of red ties, too.

GD: Yeah.

CC: ...do you get your hair cut every week?

GD: I get it cut, yeah, every week.

CC: Every single week? Same barber?

GD: Since 1970. His name is Joe Gonzales.

CC: Is he a close personal friend at this point?

GD: He's like a member of the family. He comes to our house for holiday dinners.

CC: And you lived in the same 1,000 square foot condo...

GD: Twenty-two years.

CC: Twenty-two years. A thousand square feet....Jesus, it's unnatural to eat and dress and live this way. You're more of a monk than Governor Brown.

GD: I don't believe that's an accurate statement. Am I a creature of habit? Yes. And do some people mistake discipline for sacrifice? Probably.



It was still all ahead of him

have said, however, that Gray got preoccupied with his work and was more likely to ignore staffers than be rude. Stevan Allen, who was his press secretary and speechwriter, said Gray would read every single bill that came across his desk. He said that Gray could be relied upon to joke lightly when they were working late, but he was always careful about staying on task. A woman

who worked for Gray when he was first elected to the Assembly said he was consumed with his work and would swear when he was tense, but that it was never personal. An aide that worked closely with him during his governorship does not remember one casual conversation with the Boss. He says Gray wasted no time on small talk when he was working and he shared nothing personal about himself.

CC: It's been suggested that you have a history of being difficult with staff.

GD: No, I disagree with you. We had an extraordinary staff that

we put together as governor. Almost nobody left in the first term. Nobody left in the Cabinet except our Veterans' Affairs Secretary who had a personal problem. But the entire cabinet was in place after four years.

CC: How many from your Controller's team were on your governor's staff?

GD: As Controller, you only get two people. Terry, you're just going down the wrong trail. (adamant) Aileen Adams, I dated once, one time when she went to Harvard. We met when



With the Chief Justice

we were in high school. She was my Consumer Affairs Secretary. I'm sitting at her table at a political dinner on Friday night. Mary Nichols, my Resources Secretary, I've known for thirty years. Maria Contreras Sweet I'm seeing tomorrow for lunch. She was my Secretary for Transportation. I got to know her when I was Lt. Governor. Garry South I met when I was Controller in 1993, and we've remained confidantes and good friends to this very day. Lynn Schenk, was my chief of staff, probably my closest aide in Sacramento. I see her all the time. I met her in 1978. I personally asked if she would be chief of staff. A lot of my people on my campaign didn't want her to be, didn't like her, but I



Press conference

had great confidence in her. I see her all the time. So, no, the comment that I don't get along with my staff is just a bunch of nonsense. You know, when you're Controller, you get two staffers. In the Assembly, you get three or four people and I left the Legislature in 1986. I got elected Governor in 1998. That's 12 years later, so people move on. We had an extraordinary staff. They almost to a person stayed with me through my re-election and on through the recall.

“Jesse Unruh and I were very different people.”

CC: I'm not the first one to bring this up.

GD: Well, they're urban myths, you know. They grow, just ask the people that worked with me in Sacramento, people like Marty Morgenstern. I knew Marty from Jerry Brown's days. I personally called him back into government. He didn't want to come back. He was my Director of Personnel Administration. He was there my whole five years, so I'm very proud of the people we assembled.

CC: (laughs) Do you have a temper?

CC: (smiles - drinks his water) When I was younger, I had a temper, but like everything else, you learn to control it the older you get.

CC: When you entered the Assembly in 1982, Los Angeles was beginning to undergo enormous demographic change. Is Los Angeles governable?

GD: The simple answer is yes. That doesn't mean someone can sit in city hall or sit in the governor's office and issue ultimatums. Governance in California involves lots of citizens, lots of community organizations, and an effort to achieve consensus. If you do that as governance, yes L.A. and California can be governed.

CC: What do we do about immigration?

GD: We need the honest discussion we've not yet had. I believe people should come here legally. I did everything I could to encourage stronger border controls, but I also recognize that we're all God's children. If people are here making a



With Willie Brown

contribution to our society, paying taxes, then we ought to accord them some rights. And certainly, accord them the dignity that every human being is entitled to. That's an honest discussion. We can argue over what those rights are and we can argue over what those benefits are. But, for us to accept the benefit in terms of the lower cost of food coming out of our fields, the cost of a restaurant meal, the cost of a hotel stay, all of which are subsidized by immigrant labor and then turn around and rail against immigrants, is intellectually dishonest.

CC: Republicans and Democrats are both becoming more aggressive toward border control and the rhetoric is getting uglier.

GD: I remember in 1994, the INS asked me to go down to look at the border. I went down on a Saturday night and about 600 people crossed the border illegally right in front of my eyes. I don't think that's right. On the other hand, you'd be hard pressed to find a farmer in California who can get a crop to market without illegal immigrants working in the fields. Most farmers will tell you that 80-90% of their work force is here illegally. So whatever we pay for strawberries and almonds and all the other crops we grow is far less than we would pay if we raised the salary to the point where people would accept that kind of backbreaking work.

CC: Where did you and Governor Wilson disagree on immigration?

GD: We strongly agree that immigrants should enter the country legally. However, I disagree with Governor Wilson very much in terms of tone. We're all God's children, and I believe every human being, no matter how they came to America, should

be treated with respect. In 1997, I met with the Mexican Foreign Minister. I also met with the head of the governor's office in Mexico City. He told me that during the Wilson years, he was getting death threats for housing the Office of California. There was a lot of animus on the part of the Mexicans towards California. Within 28 days of being governor, I was in Mexico City extending the hand of friendship. In all, I met with

Speakership of Willie Brown.

GD: One of the most charming and one of the most able people I've ever met.

CC: **You and Gary Condit were elected in the same class to the Assembly.**

GD: I liked Gary since our first days, and I appreciated the fact that he helped me in my race for governor in 1998.



Gray with former L.A. Mayor, Dick Riordan and Police Chief Bernard Parks

President Zedillo and his successor President Fox eight times. I was the first Governor to invite a Mexican President to come to Sacramento and speak before the State Legislature. Mexico went from number two to California's number one trading partner on my watch.

CC: **You were Lt. Governor under Pete Wilson. What was the personal relationship between the two of you?**

GD: I had a grudging respect for Pete Wilson. He worked hard and ran successfully against more famous people like Jerry Brown for senator and Dianne Feinstein for governor. But, the relationship was not great when I was Lt. Governor because whether Pete Wilson personally cared about this or not, his office proposed a constitutional amendment which said the Lt. Governor does not succeed the Governor if there is a vacancy in the office. (Wilson was considering a run for the presidency.)

CC: **Was it a friendly relationship personally?**

GD: I kind of liked Pete Wilson, but I did not like the way his office treated me in the first year. It settled down after that.

CC: **Your political career intersected often with the**

CC: **San Diego's excitable Steve Peace was also in that class.**

GD: I was thrilled Steve would become my Finance Director when I was governor. Another example of someone I reached

“I cannot say enough good things about Dianne Feinstein.”

into my past to hire. I met him in 1982. I used to say if you are on the 5-yard line and about to score, do not put Steve Peace in the game. If you're on your own five-yard line, keep giving him the ball.

CC: **You ran against Dianne Feinstein for the senate.**

GD: I cannot say enough good things about Dianne Feinstein. I will go to the end of the earth for her.

CC: **Whose idea was the infamous commercial during your senate race when you compared her to the nasty hotelier?**

GD: I take responsibility for that campaign because I was the candidate, but I think I proved to Dianne over the years what a

strong ally I could be. I put her husband on the Board of Regents and made her daughter a judge- both deserving and have proved to be good choices. In my judgment, Dianne is the best public servant in California. We worked together to preserve old growth redwoods in Humboldt County. We worked together on water issues. She was the staunchest ally you could possibly imagine when we got into the energy crisis. I remember being in her office and she would call in the head of the Federal Energy Regulatory Commission (FERC). In the recall there was no stronger supporter of mine, I think in part because she went through a recall and she knows the unfairness of it all and how the rules are kind of stacked against you.

CC: What about the emergence of Latino Caucus and Latino politics?

GD: It changed dramatically over my time in politics, from four to five legislators, combined in both houses, to approaching twenty-five. It's good. We're going to see a Latino governor in the next ten years.

CC: Do you have an idea who it will be?

GD: (smiles) The Latino Caucus is a bright and savvy group of interesting men and women.

CC: Who are the rising stars in the California Democratic party?

GD: I think the mayors - Antonio Villaraigosa of Los Angeles, obviously, and I think Gavin Newsom of San Francisco.

CC: Who's the more impressive of the two?

GD: (laughs) I like them both.

In 1986 Gray was elected the Controller of California. He advocated consolidating debt collection under the Franchise Tax Board, which would have removed the authority from the independent fiefdoms of thousands of departments and agencies and resulted in billions of dollars in savings. He was an outspoken, clearly political, openly ambitious lightning rod of a public figure who was fearless about being a foil to the Republican governors, and was willing in those days to hold public meetings, some with the pretentious imprimatur of 'Economic Summit' statewide. Those meetings worked. Live and in person he connected with the small crowds and netted good reviews for his retail politics. Within the first year of holding constitutional office, Gray Davis was already being discussed in the press as a future governor.

His increasing political fortune attracted critics. The press, most of whom gave him credit for being available and capable of explaining Jerry Brown when he was Chief of Staff, now openly joked that he would step over a casket at a funeral to get to a camera. His fundraising was so much more successful than anyone else that it raised eyebrows, and there were some legal hiccups about misusing staff for political purposes and making

what appointments are allowed the Controller for political reasons.

It was evident, however, that he was free of the shadow of Governor Brown. A couple of his friends from the Assembly said that Gray's stardom was partly attributable to the fact that while they were going to the bars, Gray was at the bar mitzvahs.

CC: When you were controller, one of your key issues was Medi-Cal reform.

GD: Medi-Cal fraud, to me, was like any other crime. So, I had sufficient moral outrage when I looked at a chart that had to do with the purchase of medical equipment (like wheelchairs and bedding and diapers) that we provide nursing homes and hospitals, and the expenditures were doubling each month. I finally said, don't make another payment. I wanted the auditors out there. Well, of the 84 durable medical equipment providers, 25 didn't exist. (Gray's memory for immediate detail is almost a carnival trick.) They never provided a wheelchair or bedding or diapers, but they somehow got a Medi-Cal provider number and kept billing the system as if they had. As Governor, I continued to battle medical fraud. I created a statewide taskforce and linked them up with the U.S. Justice Department. The Justice Department said it was the most successful effort against medical fraud in America. In fact, they went to other states to share with them the results of our successful partnership in California.

CC: Is there some way to keep our agencies and departments from getting bigger and more bureaucratic?

GD: You can't zero budget every department every year, but you can zero budget three or four big departments - just say, let's start with ground zero in the Corrections Unit. Now, why do we need a prison? Okay, we do need prisons. How many do we need? Who do we need them for? How long should we incarcerate them? That way you can keep the bureaucracy focused on their

original mission and prevent it from overstepping its bounds.

While the title of Lieutenant Governor is impressive, the job is not much more than waiting to see if the untimely shuffling of the Governor's mortal coil will result in the ultimate California political promotion. Polling suggests the voters believe that the governor and lieutenant governor run as a team and consult on a regular basis. That isn't even good fiction. They are at best cordial.

Gray was as good a lieutenant governor as any other. His challenge, and he was called road kill when he suggested he was going to make the effort, was to walk through the lt. governor's office on his twenty-five year journey to move twenty-five feet from the chief of staff's desk to the governor's chair.



Republican Leader, Dick Ackerman
at portrait unveiling

His campaign for governor was masterful. The people agreed that he was the best governor in training ever, and that he had experience money couldn't buy. He stunned two flashier, wealthier, self-consumed candidates to win the nomination, and he destroyed the Republican choice.

The story of his governorship, of course, played to a dramatic conclusion. What is not always discussed are the



With the Legislative Black Caucus

successes, and there were many. Gray was not defensive when he discussed the legacy of the Davis years, but he knew the record and he's probably repeated it before.

GD: Parks - the greatest accumulation of parkland in the history of California and because I wanted the parks to be close to the people, we cut the fees in half and spent a lot of money fixing them up. Then we acquired property throughout California, all of it within say 45 minutes of a metropolitan area so families didn't have to drive three hours to get to a park.

I raised money and spent my political capital getting water bonds and park bonds passed. One change in education that I'm very proud of, we've reduced from 66% to 55% the vote a local school board needed to pass a school bond. Why is that important? Because some areas of the state have a hard time marshalling a two-thirds vote and you can't decrease class size without building more classrooms. Something like \$15 billion of bond issues have now passed that wouldn't have passed since that became law in November, 2000. I think the 370 judges I appointed are spectacular. Almost without exception, Republicans and Democrats

alike, say they liked our judges.

When I took office there were fifty thousand kids enrolled in the Healthy Families Program, a program that says we are going to provide health insurance for the children of the working poor- and when I left we'd enrolled a million more. It allowed these children to get off on the right foot and provided peace of mind for their parents.

Student testing scores were up five years in a row. When I became Governor we were 43rd in per capita achievement and 48th in per capita spending. By the time I left both those numbers went to the mid 30s. It was kind of a tough love approach. I love teachers. But, I insisted on accountability. I signed into law the high school exit exam and the academic performance index. Now every school in the state is ranked. It's ranked against schools with similar demographics. Now even if you're the worst school in the state, we rewarded you if you improved, if you got better. So the whole idea was promoting improvement. If you're the best school, you can get better. If you're the worst school, you can get better.

We created the largest financial aid program for college students in the nation. We greatly expanded the Cal-Grant program, and inaugurated for the first time, merit scholarships so that regardless of financial circumstances if young people did well they could go to college. I can't tell you, I was at the inauguration of UC Merced, how many kids came up to me and said I'm able to go to this school because I got a merit scholarship.

CC: **Did you go to the opening?**

GD: Yes. I got the biggest hand of anyone, by far. (starts laughing) About the only place in the Valley where I could have gone and gotten the biggest hand, but it was very moving.

One other thing that we did, Aaron, we had to do this out of necessity, but we built 25 power plants during the energy crisis. I used my emergency powers to greatly accelerate that process, which I think is twice what California built in the ten previous years combined, and the state is living off that today.

The bad news is that the public Gray often seemed joyless in the task. His staff was tightly wound, and his Chief of Staff had trouble keeping mid-level employees working for her. He angered his allies in labor when he said they were responsible at best for six or seven percent of his twenty plus margin, and

“Enron snookered the entire country.”



With Attorney General Bill Lockyer

his dismissive attitude toward the Legislature could not have been summed up better than when he ignored the balance of powers incumbent with our system and said it was their job to "implement his vision."

His being recalled is now part of the California story. Gray accepts the judgment with equanimity.

CC: When did you first realize that the recall might be real?

GD: Recall talks happen all the time. There have been recall attempts against Reagan, Brown and Wilson and earlier attempts against me. They rarely gain any currency, and while you're aware of it, you don't let it trouble you. When Congressman Issa decided to put \$3 million, I realized it could be a problem...so if I had to affix it to a single event, it was when Darrell Issa decided to put money into it.

CC: You were given probably not an unprecedented but an unusual opportunity to speak to the people of California when the energy crisis and the recall talk intersected. You had a five-or ten-minute address that all the television stations ran at the same time. The people literally stopped to hear what you had to say. What were you attempting to do with the talk and who actually wrote it?

GD: I was trying to indicate what progress we had made in handling the energy crisis and what challenges we still faced. The communications director in the Governor's office wrote it in large part. Other people made contributions to it. That

speech suffered from the same failing that I suffered from throughout the energy crisis. I could not explain to people why I, their governor, could not solve the problem. If you haven't already gone to it, you ought to see the movie 'Enron, the Smartest Guys in the Room.' Enron's criminality did not come to light until the beginning of 2005. That speech was given in 2002.

CC: The issue was too amorphous?

GD: People didn't get a bill from Enron. They didn't understand it. Enron snookered the entire country. They were the seventh largest company in America and nine months later, they didn't exist.

CC: Did they bring you down?

GD: More than any other event.

CC: When you gave the speech on TV, did you, as you were preparing for it, realize you were not getting a hold of it?

GD: Probably in my core, but let me make this point. I know

some bad things happened. (voice becomes more emphatic) I'm sitting here in the Loeb & Loeb office and not in the Governor's office. But, deregulation in this country was basically stopped in its tracks. What seemed inevitable in 2000 that twenty or thirty companies would control the price of electricity in America - is no longer the case. We're going to stay with a largely regulated model. Why is that important? Because you can't store electricity. And when you need it, it has to be there. Look at Los Angeles. They had three blackouts the first month of Antonio's term. Does he have anything to do with it? No. But if there's three more he'll have to start focusing on it because people expect the lights to be on all the time. Of course, the lights are not going to be on all the time if half the electricity is unregulated and shows up only when market forces say it should show up. The Enron model says maybe I can sell it to Arizona instead, and get more money. Or I can sell it to Colorado at a higher profit. Why should I sell it to California? That's exactly what happened.

CC: It was a Steve Peace bill that created this situation?

GD: Jim Brulte, the Republican Minority Leader from San Bernardino was the author, but was smart enough to keep a low profile...in any event, Alan Greenspan, I'm in his office December 26, 2000, and I remember because it's my birthday. I'm in the Fed at a meeting at 4:00 in the afternoon. There's no one in the Fed. Everyone's gone. It was Friday or Monday. People took a three-day holiday. I said, "Mr. Chairman, I assume that market forces will ensure that we have enough power in California." He said, "Not necessarily. They may find that they can get a higher



Senate Leader, Don Perata with former treasurer, Kathleen Brown

return on their money by selling you their existing power than by building more plants that will reduce the price of their existing power." So, he said eventually, over time, they'll sell you power, but not necessarily when you need it.

CC: With what you know now, if you had known it then, could you have weathered the crisis?

GD: (long pause, very focused) Yes, but so much has just come to our attention in the last year. I couldn't imagine that the seventh-largest company in America was a criminal. I could imagine their taking advantage of laws they actually wrote and lobbied for that allowed them to make a fortune acting legally. But, I couldn't imagine they would act criminally and deny power to California consumers by ordering their plants to shut down. Yet we now know that's exactly what they did.

CC: When did you realize...

GD: Well, when Enron's practices were disclosed in the movie I mentioned before, an analyst from Enron was heard saying, "I could never figure out why we always made our

numbers. We'd always get nervous, and then about three weeks before the end of the quarter we'd somehow make it. I asked our chief financial officer, how can that be? ...and, he said one word, 'California.'"

They were taking advantage of California. We now know they called up a Nevada plant and said what do you think about going down? They suggested a forced outage or routine maintenance. That plant went down the next day and along with it the power to 500,000 people in California who were served by that plant. That event occurred eight days after I was sitting in the boardroom of the Secretary of the Treasury with Ken Lay, every utility CEO, and every energy CEO in America and turning them down when they demanded we raise rates for consumers.

CC: When did you realize it was over, that the recall was going to work?

GD: Well, as a candidate you never give up hope. We were doing tracking numbers and well, actually Friday and Saturday before the election it looked like a dead-even race, but then Sunday night's numbers, which we didn't get until Monday, it had spread out again to about eight or nine points. Monday and Tuesday I knew it would take a miracle, but you've only got two days left and you try to make the best of the time you've got. I needed 50% of the vote to remain in office; I think I got about 45% of the vote.

CC: If Lt. Governor Cruz Bustamante had stayed out of the race, would you have beaten the recall?

GD: I believe I would have had an excellent chance. We got about 45% of the vote. He got 31% of the vote and only a third of his votes (10%) voted yes on the recall, so if those people had just stayed home and didn't vote, my 45% would have been 50%.

CC: Have you talked with Cruz since then?

GD: Not about this. I'm sure he reads the same data that I do.

CC: Did you feel betrayed by it?

GD: I didn't feel betrayed because I've long believed that everyone does what they think is in their own best interest. It was his best chance to be governor. My good friend, John Garamendi was even in the race for a day.

CC: Are you surprised by the vitriol directed toward



The unveiling

Arnold now and what's happened in the two years since he's been in office?

GD: Look, it is a very tough job. Do you know one in eight Americans live in California? The last time that happened was 1865 when one in eight Americans lived in New York. Our appetite is bigger than our wallet. We want a lot more than we're willing to pay for. It is just a very, very tough state to govern. Part of the reaction to Arnold is probably a little buyer's remorse, because he went around and said I can make things right, I can fix things..

CC: Are you bitter?

GD: No. Remember, everything had to break right, and I mean everything, for me to become governor in 1998. There was a \$1,000 contribution limit and this is at a time when Checchi spent \$44 million of his own money in the primary. So Dianne decides she's not going to run in January. Ten days later a Federal judge strikes down the contribution limit. Harmon attacks Checchi. Checchi doesn't want to just attack Harmon, so he



Gray at a bill signing event

attacks both of us. Half the world doesn't even know I'm running until they see my picture in the Checchi commercial. We had to get every break and we got every break. The same thing in the general election, so I'm a great believer in fate and fate made it

possible for me to be governor and to be re-elected...(calmly) and fate sent me to the showers early. People asked me to go do something else with my life and I'm doing it.

CC: Is it nice to have your life back?

GD: Yes, but I enjoyed every moment in public service. It was really my life's work. If someone had said you can do what you're doing now for thirty years and put several more zeros in your bank account, or do what you did for thirty years, I wouldn't hesitate a moment to do spend my life in public service.

CC: If you knew that it was going end in the recall, would you still do it?

GD: Yes, because I really believe that in life when you get handed the baton you run as far and as fast as you can and when it's time for you to hand it to someone else you do that, but you were still in the race and you still had a chance to change policy in this state and make changes that have affected



people here and around the country. Would it have been more fun to serve out eight years, yes, but just because I was beaten by a movie star who had at least \$2 billion behind his name in advertising over the preceding 20 years is no reason to regret the experience. I truly relished every moment, the good, the in between and the bad.

The cell phone on Gray's desk rang often during the interview. He did not answer it until we turned off the recorder and the calls became incessant. Then he looked at the number and said it was Jerry Brown. Jerry was evidently in his car. Gray started laughing and said Jerry could talk but couldn't hear any response. Putting down the phone, and letting the former governor continue his soliloquy, Gray walked with us to the lobby.

Side Story

Susan Kennedy was the Cabinet Secretary for Gray Davis, and in that role was in daily contact with Gray and played a critical role in focusing the attention of the Administration on policy issues. To the surprise of many, and the dismay of more than a few, she took the job as Chief of Staff to Gray's successor, Arnold Schwarzenegger.

CC: Susan Kennedy.

GD: I think Susan is an extraordinary person. Very gifted. I was thrilled that she was part of our administration and I was pleased to appoint her to the Public Utilities Commission when after my first term she decided she needed a little more breathing room.

CC: Is it impossible for Arnold to hire a Susan Kennedy and not have an impact on the direction of the administration?

GD: I believe the answer to that question is no. I suppose the Governor could just reject every piece of advice she gives him, but clearly she's not going to change her

stripes. She is who she is and I suspect the advice that she gave me on a number of occasions is pretty similar to the advice she's giving him, which would pull the administration back towards the center. I think it was a great move for Arnold and a wonderful move for the people of California. It's my fondest wish that everything turns out well for Susan personally.

CC: Has Arnold righted the ship?

GD: He's doing the sort of things I would advise him to do. You know you don't get to be governor forever. The best things that happen in the administration generally happen early. He squandered his second year completely. It was a totally lost year. And now he's proposing initiatives that help rebuild California for future generations.

CC: Are you still in contact with Arnold regularly?

GD: Not regularly, but I see him from time to time at events. I run into him at least once every two months.