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**WHY A
SMART
POLITICIAN
HAS TROUBLE
BEING
GOVERNOR
CAN**

**CHANGE
HIS ACT?**

BY KEVIN O'LEARY

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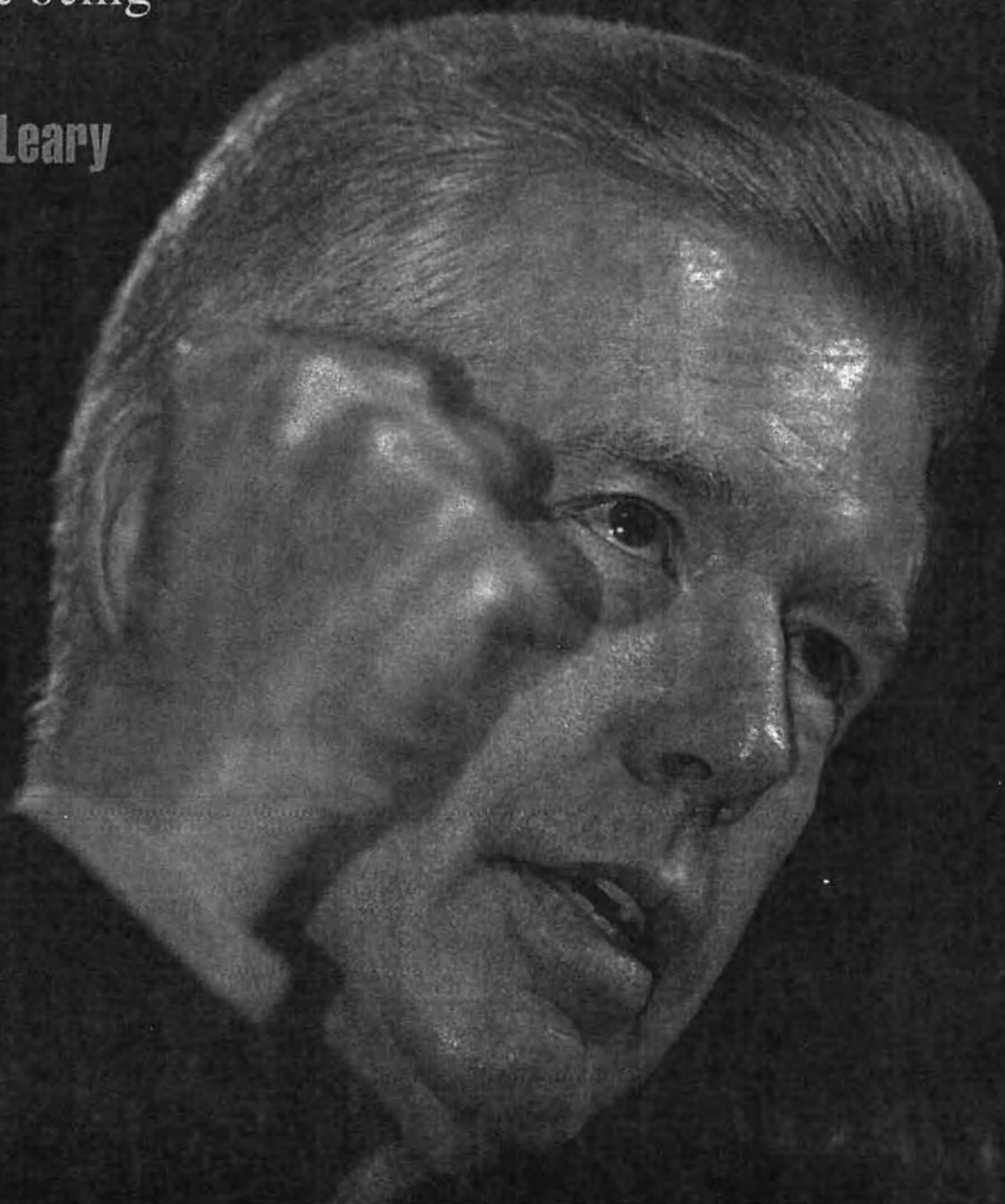
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Can GRAY DAVIS

Why a smart politician
has trouble being
governor.

By Kevin O'Leary



Change His Act?

Gov. Jerry Brown had two chiefs of staff. Gray Davis and B.T. Collins. Both were Vietnam veterans but beyond that they shared very little. Davis was mechanical, straightlaced and aloof. Collins was personable, outgoing and off the cuff. Davis impressed people with his ambition and discipline. Collins – who had artificial limbs because of his war injuries – enveloped people with his warmth and friendliness, so much so that he was famous for calling almost everyone he knew on their birthday.

Collins died of a heart attack; today Davis is governor seeking re-election. Davis is expected to win on Nov. 5, yet his electoral success comes without popularity and with low expectations as to what he might accomplish in a second term. Gifted as a politician, Davis has yet to show much skill as a governor and leader. Yet, Davis has done what is required to climb the ladder of electoral success; if his performance leaves people disappointed, this is just as much an indictment of California's current political system as it is of Davis himself.

California is a huge, complicated state with the sixth largest economy in the world and a population as ethnically varied as the U.N. Unlike some states – Texas being one – the governor's office in California holds real power. And post-Prop. 13 – which obliterated local control and gave Sacramento the power over school purse strings – and post-Prop. 140 – which imposed the most stringent term limits in the nation on the state Legislature (six years in the state Assembly and eight years in the state Senate) – the governor's power is greater than ever.

The Golden State has produced some great governors. Among them Hiram Johnson, who at the beginning of the 20th century broke the stranglehold railroads then had on state politics. In the '50s and early '60s, Republican Earl Warren and Democrat Pat Brown recognized the wave of post-World War II newcomers pouring into the state and began a massive infrastructure program that produced the finest public university system in the world – the University of California campuses, the freeway system and the state aqueduct to supply water to a burgeoning Southern California. Brown was followed by Gov. Ronald Reagan, who sparked the modern conservative revolution here and then took it to Washington, D.C.

Pat Brown, Ronald Reagan and Jerry Brown – all were larger-than-life politicians. Each had his own distinctive brand of leadership and charisma and each forced the public to pay attention to what they were doing in Sacramento. Each had the potential to become president of the United States and one of them did. Since Jerry Brown left office in 1983, California has elected three low-profile governors – George Deukmejian, Pete Wilson and Gray Davis. At the same time, news coverage and interest in Sacramento politics has plummeted. Local television news programs have closed their Sacramento bureaus and largely given up covering state politics. Two years ago, the state's most influential newspaper, the Los Angeles Times, was bought by the parent company of the Chicago Tribune and the Time's Sacramento columnist George Skelton was banished from page A3 to deep inside the California section. Partially because of media inattention, Sacramento could be in Siberia and most Californians would not know the difference.

This is not to say that the decisions made in Sacramento are not important. They are.

Two examples suffice. In Pat Brown's day, California's public schools were among the best in the nation – always in the top 10 states in funding and performance. Beginning with Jerry Brown and Deukmejian, a big slide took place and recently

Davis and the Legislature have struggled to get California above No. 40 in most classroom indicators. With a dynamic economy and a cutting-edge high-tech sector, how long can California afford to have a struggling K-12 system – one that varies tremendously from district to district and keeps even high-performing districts grossly underfunded? And then there was energy deregulation, the infamous legislation signed into law by Gov. Wilson after being unanimously passed by the Legislature. Davis has been roundly criticized for his handling of the energy mess but he was not its author.

Housing, water, traffic capacity, environmental safety, higher education, crime and punishment. These are the meat and potatoes of state government and if the state delays dealing with these issues – or, God forbid, botches them – because the governor is incapable of building coalitions or exerting leadership, then the state and its nearly 35 million citizens suffer.

In the northern reaches of the San Joaquin Valley, the tall buildings of Sacramento rise above the flat farm land like the fabled city of Oz. Like Oz, Sacramento is partially built on illusion. Money rushes into the city in the form of taxes and campaign contributions and images spill out. More than other politicians, Davis believes it is images – especially his television ads – that are what is important. Everything else is just background noise.

His personality and career say something about politics in the nation's largest state. Davis is not your traditional politician. Slender, taciturn, with robotic gestures when he speaks in public, Davis is most comfortable as a workaholic loner. Most politicians work hard to develop allies and relationships with people across the political spectrum and with people in general. Famous as a relentless fund-raiser, this governor has few personal or political friends. He goes out of his way to avoid personal relationships with legislators and capital players. Doesn't need them. What he needs are fund-raising dollars (more than \$64 million in this campaign) so that he can dominate the airways as the celluloid candidate. His is the permanent campaign to the nth degree; never stopping, all policy decisions primed for political use.

Similar to the first President Bush, Davis always wanted the top job – and like George H.W. Bush he spent years as the No. 2 waiting for his chance. Both achieved their ambition but appeared frozen once they had the big job. "To Be, Not to Do," could stand as their motto. Critics say Davis is more interested in running for election than actually leading the state and exercising authority. Politicians and journalists give him poor to mediocre grades in his two big tests – last year's electricity crisis and handling the current budget shortfall that has grown from \$12 billion to \$17 billion to an astounding \$24 billion.

Fifteen years ago, the capital was largely a sleepy cow town and the political class met after hours for drinks at bars with names like "Frank Fats." Today, the high-tech industry has moved in making Sacramento something of a Silicon Valley north and housing prices in the western suburb of Davis – with its quaint

PHOTO BY MARK SAVAGE

CAN CHANGE HIS ACT?



Mayberry RFD downtown and growing UC campus – rival Orange County.

In late September, the triple digit heat feels like August. After the mad rush to pass bills and paper over the state's fiscal crisis – putting off painful decisions about cuts and taxes until after the November election – the Legislature has adjourned. Meanwhile, the governor's office is cranking at full speed as Davis and his top aides decide which bills to sign and which to veto. People stroll during their lunch hour in the 40-acre Capitol Park. In the distance, the chanting of marching farm workers can be heard. Just as the corporate lobbyists in suits and ties, the farm workers are another powerful constituency that Gov. Davis must consider and add into his political calculations as he wields power.

Gray Davis is a most unusual governor. Like a freak of nature, he is a politician who, despite being widely unpopular with the public, the press and his own party, continues to win election after election. Popularity is supposed to count in politics but in the strange world of California elections sometimes it doesn't count. Especially if, like Gov. Davis, you are a master of making yourself the lesser of two evils. Unless GOP candidate Bill Simon Jr. mounts a surprise come-from-behind finish, Davis is expected to trounce his Republican opponent on Nov. 5 much like he walloped former Attorney General Dan Lungren in 1998.

Given the energy crisis of 2001 and the state's budget woes, the Republican Party had a real shot at unseating the Democrat Davis. The meltdown of former Los Angeles Mayor Richard Riordan in the Republican primary – partially the result of Davis attack ads – is now the stuff of political legend as is the ineptness of Simon since capturing the nomination. Much like Kathleen Brown in 1994, Simon never got traction. As in the old cartoons, every time Simon gets the slightest momentum, the Davis campaign throws ball bearings under Simon's feet and he falls flat on his face.

Sacramento political insiders say Simon got into the gubernatorial race as a trial run for 2006 and that Simon's campaign strategist Sal Russo saw an easy chance to earn a hefty campaign consulting fee in the process. Political reporters say if Simon's team had done even the most elementary background check they would have found a Wall Street Journal article that discussed Simon's business dealings with a gentleman who had been convicted on marijuana charges. Checking out that red flag could have told them trouble was ahead. Instead, the campaign was blindsided by a \$78-million fraud conviction against Simon's family investment company. In the year of corporate scandal, Simon suddenly became a pariah to his party. The unanimous 12-member jury decision was later thrown out by a judge on appeal but the damage was done.

After all the attack ads, stump speeches and, yes, fund-raising stop – at least momentarily – Gray Davis will be sitting in the governor's chair come January.

The governor remains an enigma, a very private man in a very public occupation. Some critics say he is a politician with few, if any, strongly held publicly announced core beliefs. "After four years of watching, I don't know if there is an ideological bone in his body," says one legislative aide. Yet, Davis has long been pro-death penalty, pro-choice, inclusive to gays and strong on the environment. He is a friend of labor and a Democrat who strives to have strong ties to business.

Like most politicians, Davis wants to get credit without offending. Famous for his incremental style, he does not get ahead of public opinion. Because he is less ideological than some and more transparent in his political calculations than most, he draws fire. The people who work for Davis are largely invisible and anonymous. When Davis was chief of staff for Jerry Brown he was everywhere, his ambition on display. The current chief of staff, Lynn Schenk, is rarely seen.

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After the near chaos of the Brown administration, Davis demands unflinching loyalty and that his administration speaks with one voice—his. Because political Sacramento is a small town and the governor is sensitive to criticism, many sources for this story shared their perceptions of Davis off the record.

Described by the San Jose Mercury News as “perhaps the best trained governor-in-waiting California has ever produced,” Davis moved from chief of staff to the state Assembly to controller to lieutenant governor as he worked his way up the political ladder. Yet, until he was elected governor in 1998, he had never—according to some critics—had a real job of real consequence where he was making the decisions. “Aside from being controller,” one observer says, “being governor is certainly the biggest job he’s ever had.”

Davis is a bit like Barry Bonds dressed up as Rodney Dangerfield. Just as the San Francisco homerun superstar, Davis is not much liked by his peers. They admire his political skills but there is no love lost in the relationship because not much of a relationship exists. This is a governor who rarely reaches out to the Sacramento community. One capital veteran says there is a simple formula for being governor: “You’ve got to talk to people, help people, listen to them and ask them what their needs are.” That’s not the Davis modus operandi.

A person who has worked with the governor says, “To get to the top you’ve got to be a very different type of person. Without financial resources, without charisma, without an ethnic base, it’s amazing that he became governor. You have to give him credit.” As for Davis becoming more outgoing, this observer says, “There have been discussions about this, but you can’t teach a pig to sing. First it won’t work and second it pisses the pig off.”

One person who was a staffer for Davis early in his career says, “He is a difficult individual to work for not because of the work—he allows creativity—but because he’s not the type of individual who wants to get to know you. He’s interested in what you produce, but not interested in you. That can be hard in an intimate setting where you are spending hours working together.” Still, this person expressed admiration for Davis. “He is the most focused and politically astute politician I’ve ever worked for.”

Relentlessly self-promoting throughout his political career, Davis appears nonetheless shy, introverted and slightly awkward in public. Not naturally gregarious, he falls far short of beloved figures such as Govs. Pat Brown and Ronald Reagan in his personal appeal. Politics as a career comes easiest to those who are able to make friends quickly. Gov. Jerry Brown was famous for his disdain of his father’s backslapping style yet he had a powerful, cool charisma. One observer of the Browns and Davis says, “Pat Brown was extraordinary. Jerry could turn it on and off. He was a hell of a lot better than people sometimes give him credit for. By comparison, Gray is just not in that league. You need a certain minimal amount of grace and Gray can give a good impression but when you met Pat Brown you just felt folded in. No one else was more important.”

Phil Isenberg, a widely-respected former legislator, says charisma is overrated. “We live in an age of hyperventilated celebrity that demands a decibel level equal to a jet plane taking off.” Next to Hollywood stars, being Gray Davis does not make scintillating copy. He has a well-deserved reputation as a dull, plodding politician. By contrast, Jerry Brown’s eccentricities made journalists and editors happy. “The last thing television producers want to shoot is middle-aged men and women in suits sitting around a conference table,” says Isenberg. “They want pizzazz. When Jerry took Linda Ronstadt to Africa it was great. But boy is that NOT Gray Davis.”

Davis is no Jerry Brown or Arnold Schwarzenegger. And he is not a backslapper like Brown senior or a hugger such as former Assembly Speaker Bob Hertzberg.

But, says Isenberg, Davis is “smart, extraordinarily focused and disciplined.” On this both critics and admirers agree. This is what sets him apart from the pack of ambitious politicians who flock to Sacramento.

A senior legislative aide says Davis is successful precisely because “he has a discipline and patience that other politicians lack. He gets on his message and stays on it. Just because other issues get hot he doesn’t get distracted. It’s as if he says to himself, ‘This is what I need to do to succeed and I’m not going to let people pull me away.’ And to succeed on a big scale, such as governing a state like California, that’s important.”

As a politician, Davis’ greatest weakness is that he is “not an instinctive politician and he is inherently not a terribly likable person,” says one Sacramento veteran. But Davis has learned to compensate for this handicap by working extremely hard and being a shrewd, tactical politician.

A member of the business community who is critical of Davis on a number of issues says the governor is a “great politician if by that we narrowly define the word to mean ‘following your ambitions and achieving them.’ He does lots of research into what sells and what doesn’t and obviously is a world-class fund-raiser.”

When Davis ran for governor in 1998, one of the press clippings that his campaign handed out was a profile by Los Angeles Times staff writer Patt Morrison written shortly after the 1994 election. That was the year the Republican Gingrich-tide swept the nation and the GOP took control of the U.S. House of Representatives for the first time in 40 years. While liberals were getting trounced, Davis garnered more votes than any Democrat in America, “more than Mario Cuomo and Ted Kennedy combined” in his bid to become lieutenant governor. Asked why, one focus group member said, “I voted for this Davis because I can’t remember anything he did in his years in public office that really made me mad.”

Morrison wrote, “In a state where political super novae—most recently Kathleen Brown—have been known to dazzle and then explode, the star candlepower of Gray Davis has been shaded but steady. A guy who doesn’t make people mad is a guy who survives, who gets elected. Over and over.”

The other key to Davis’ electoral success has been his luck in drawing weak opponents. State Sen. Cathie Wright in 1994, Attorney General Dan Lungren in 1998 and now businessman Bill Simon in 2002. In each case, Davis would argue that his experience made him a better choice and that, even if voters didn’t especially like him, he was better than the alternative.

In 1998, Davis demolished Lungren at the polls, winning by a stunning 20 points. This after a very tough primary race against two better-funded opponents—businessman Al Checchi and Congresswoman Jane Harman. Davis ran as a moderate Democrat and upon victory he announced he would govern from the center. This seemed to make good political sense even as it frustrated liberals and progressives who had seen programs cut and funding dry up during the Deukmejian and Wilson years. Following the Clinton New Democrat program, Davis and his political adviser Garry South portrayed the moderate governor as a brake on a Democratic Legislature that might push state spending out of control and veer the state to the left.

At the beginning of his term, Davis quickly pushed his education reform package through the Legislature. He also announced in an editorial board meeting with the San Francisco Chronicle that the Legislature’s job was to “implement my vision.” To this day, these comments rile legislators of both parties. If Davis was trying to win friends and influence people this was not the way to do it.

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CAN GRAY DAVIS CHANGE HIS ACT?

But what perturbed legislators as much as Davis' arrogance was the paucity of his vision. If he has a vision for the state, many say they still don't know what it is. In his first two years, the state had an enormous fiscal surplus and Davis sat on his hands. Davis managed the ship of state, but it was hard to call him the captain. His famous intensity was focused on three things: education reform, passing the budget on time and fund-raising. By his second year as governor, people were already talking about his relentless fund-raising.

Positioning himself as a business-friendly moderate made sense in two ways. First, Davis spent 20 years escaping Gov. Jerry Brown's long shadow. While the younger Brown was in many ways a fiscal conservative, he had a well-deserved image as a social liberal and was a favorite target for the right. Davis had no intention of being pilloried as another Rose Bird – the chief justice who was recalled by conservatives. Second, governing as a traditional liberal, Davis could have raised money from labor, teachers and trial attorneys. But having barely survived when running against millionaires Checchi and Harmon, Davis was scarred by the experience. How would he be able to stay in the ballgame in 2002 against the deep pockets of Los Angeles Mayor Richard Riordan or movie superstar Arnold Schwarzenegger, especially if the corporate community lined up in their corner?

The solution was to present himself to the business community as the sensible moderate who would restrain the free-spending liberals in the Legislature. In addition, the corporate centerist route also allowed Davis to position himself as a potential presidential contender who could win favor with the centerist Democratic Leadership Council and compete in the all-important Southern states. Successful big state governors – especially those from New York, Texas and California – are always players in the presidential sweepstakes. Franklin D. Roosevelt, George W. Bush and Ronald Reagan show that the Oval Office can be won by major governors.

So what went wrong? Davis' middling, muddling response to the energy crisis is part of his problem. His favorability ratings with the public have never recovered. But it's more than the energy crisis. In the Oct. 7 television debate between Davis and Simon, Davis more than held his own with Simon, a political neophyte. The most telling challenge to Davis came not from Simon, but from Janet Clayton, the editorial page editor of the Los Angeles Times.

Clayton, the official voice of the most powerful news organization in the state, asked Gov. Davis point blank why he is so disliked by members of the Legislature. Davis began by saying that he was not a celebrity and Clayton quickly reminded him that the question was not about his reputation for being dull but about why there is so much animosity toward him in Sacramento. In another forum with different candidates such a question would have been inappropriate and rude. But the fact that Davis is disliked – even despised – by so many key political actors in Sacramento made the question pertinent. The governor finally answered Clayton by saying he was doing his job and that as long as his wife Sharon liked him that was enough.

It was a painful, revealing moment. Very few politicians have the charisma of Ronald Reagan or Pat Brown. But politics is a profession where it helps if one tries to reach out and make friends. Ever the loner, Davis long ago seems to have decided that he could be successful without playing the normal political game. In this way, Davis is similar to his old boss, Jerry Brown. As governor, Brown was famous for his rejection of his father's approach to politics. His whole goal, as the historian Garry Wills once wrote, was to "repeat his father's career without being like his father." The Jesuit days, the Ivy League law study, the Zen

Buddhism, the E.F. Schumacher "Small is Beautiful" rhetoric was a way to camouflage his political ambition. Neither Jerry Brown nor Gray Davis succumb to the typical compulsions of many politicians – womanizing, drinking, superficial interest in others.

Brown and Davis – California's only Democratic governors since the '60s – have been anti-politicians. Brown's compulsion was to push the envelope of what was permissible in politics – dating rock stars, sleeping on a mattress on the floor, driving a blue Plymouth, keeping his staff working past midnight. Absent the flaky exterior, Davis shares with Brown the rejection of the normal political give-and-take of networking and giving speeches to the Rotary Club. In Iowa or Connecticut, rejecting glad-handing would be political suicide. In a state as large as California, giving small speeches and coffees hardly makes a dent on the public consciousness. Davis made a calculation to skip the Kiwanis clubs and networking with his political peers. His compulsion has been to build relationships with wealthy donors. More money means more 30-second spots in the major media markets come election season. Winning the airwar means winning election in California.

After he was elected in 1998, it was as if the new governor wanted Sacramento to know that he was in a different league now and that he no longer needed them. The man who was once a press hound rarely gives press conferences. Legislators who introduce bills in February routinely hear nothing from the governor's office until the end of the session in late August. With other governors, a dialogue would begin in late spring or early summer and legislators would know where the administration stood. Not so with Gov. Davis. "They are so late to engage on bills," says one legislative aide. "A bill can go all the way through the process and then at the 11th hour the governor wants it gutted or reduced to milk toast. And if it passes he wants credit. It's a strategy." Lobbyists and potential appointees know that campaign contributions are critical if they want to get the governor's attention.

Across the board, legislators, lobbyists and the press corps have returned his scorn. Says one lobbyist, "He is so totally focused on his self. He has always been a loner. To my knowledge, he has never given a fund-raiser for a member of the Legislature ... You know you can't just go to them (legislators) when you need them."

The animosity toward Davis in Sacramento runs deep. State Senate leader John Burton (D-San Francisco) is famous for his disdain. Blunt, profane, passionate about what he stands for, the burly Burton is everything that Davis is not. The two are like sand and glass, one abrasive, one smooth. At a press conference in early August, Burton had this to say about Davis and the bill to provide binding arbitration for farm workers:

"To see 70-year-old campesinos brought over in a bracero program marching to get a Democratic governor to sign a labor bill is not a proud moment in my life ... A man who won the bronze star in Vietnam ought to be able to stand up to the growers.

"I want it clearly understood, the whipping boy if he decides to veto this bill is not going to be John L. Burton. It's not going to be that they offered amendments and I said no. They never talked to me, they never talked to the sponsors ... There was never a call, never a whisper, never a burp about why don't you change this bill, modify this bill. And for me to hear they didn't know the bill was going through makes me sort of understand why we don't have a budget after 30-something days. You have to pay attention to what you're getting paid for. What you are getting paid for is to govern. What you are getting paid for is to pay attention. What you are getting paid for is to know what is going through the Legislature ... He's got a staff. They ought to know what the hell is going on."

GOP CANDIDATE
BILL SIMON JR.



Asked if Davis is a micromanager, the governor's Press Secretary Steven Maviglio says, "He (Davis) makes all the decisions. He's a hands-on governor." Defending his boss, Maviglio says, "John Burton can't get elected governor and the right-wing can't get elected governor. On most bills you have to build a consensus between the business community and the progressives. They have to be able to agree on something. What people in California want is progress but incrementally."

Assembly Republican leader Dave Cox (R-Fair Oaks) says, "There are two phases to being governor – policy and politics. This governor is more interested in the politics. He has a tendency not to get involved until a problem is cataclysmic – the electricity crisis and the now the budget shortfall. He's not pro-active on policy, he's only pro-active on fund-raising and politics."

"To be a successful moderate governor you have to be pro-active. You've got to get out of your chair and to see people. Visit the Legislature and talk to both sides. When Gov. Davis said, 'I'm the only one elected statewide and that your job (meaning the Legislature) is to implement my vision,' the question has always been, 'What's your vision? How have you articulated your vision?'"

A Sacramento veteran with longstanding ties to state government and to Davis puts the criticism in perspective. "Look, no governor is really all that well liked. The Democrats have served under Republican governors for 16 years and they see a Democrat become governor and expect all their bills are going to be signed. Some of bills are just bad bills. Davis is a progressive centerist and he's not a fun guy to go drinking with. Neither was Deukmejian. You need to look past a governor's personality and look at the issues. How does he allocate resources? This governor took one-time money and invested it in at least four high-tech, bio-tech research centers at UC campuses (one at UC Irvine) to be incubators for the future. He also used a lot of one-time money to prestart road construction projects around the state. There will be cutbacks now because of the budget crunch but it's still in motion. He signed the Cal Grant program that now entitles high school students from low-income families to go to a state university tuition free or gives them \$10,000 if they attend a private college. There has been a major expansion of health care for poor children. Yes, there is a federal match but it cost jillions of dollars. We've invested \$10 billion in education and \$11 billion to restructure the teacher's retirement program, which is an improvement of 40 percent. Did people like Burton want more? Of course. But this was substantial. I'd be critical of him on tax cuts. We've cut \$5 billion annually from revenues but others say that's not enough. He's good on environment, on labor and very good on education."

Of course, presidents and governors often have contentious relationships with the legislative branch. What about the broad public? The South-Davis strategy of focusing on fund-raising and television ads has propelled Davis to a commanding lead in his reelection bid against Simon. But even here there is dissension among the rank and file. Lynne Currier lives in San Diego. A Democrat who voted for Davis in 1998, she worked in the health-care industry before joining her husband in running a horticulture business. On the energy crisis, she says Davis was not pro-active and never seemed to get to the root of the problem. She sees his television ads but asks, "How is he different from any other Democratic candidate?" She asks, "What has Davis done? I haven't seen the schools improve or anything else. With Gov. Wilson and Gov. Brown, there were big things they were known for."

As the election draws near, Davis and his advisers have scurried to shore

up soft support among liberals. In quick succession, Davis signed bills in September allowing for stem cell research, global warming controls, paid family leave and binding arbitration for farm workers deadlocked in contract negotiations with growers.

Several of these measures made the business community furious. One lobbyist says the family leave bill will cost a huge amount of money and notes that every business in California – no matter how small – will be affected. "(Davis) hasn't tilted to the left. No, he's moved to the left to try and shore up Democratic constituencies." But liberals aren't happy either. It's not the results they quibble with, it's working with Davis and his administration. The track record looks good, says one senior legislative staffer as he ticks off the legislation on the eight-hour day, education reform, increase in minimum wage, expanding the "healthy families" health-care program. Sitting at a Thai restaurant a few blocks north of the Capitol he says, "But on all these legislative proposals it's been a brutal battle to get expansion. We are bruised and battered from a governor who is our own guy. Every time it's like a 12-round TKO. Labor's beef is that everything is a fight." The staffer continues, "In a way, he's done a good job of staying in the middle. Everyone is upset."

Maviglio is a New Hampshire native with Washington, D.C. experience. In an interview at his Capitol office, he says, "In California, it is especially hard to be a moderate. The Democrats are very liberal and the Republicans are very conservative. We get criticism from both sides." Maviglio stresses that the governor has been very concerned about the business climate and taxes and that during Davis' time in office taxes have actually gone down.

For all of the governor's focus on trying to remain a centerist and not be labeled a big-spending liberal, his way of pursuing this strategy may have been flawed. Usually when a governor or president is elected he or she takes some actions – both symbolic and concrete – to acknowledge the party's base. For example, President Bill Clinton championed health-care reform and President George W. Bush appointed arch-conservative

John Ashcroft as attorney general. The normal political strategy is to bow to your base early in your term and then move to the center as the election approaches. Davis has reversed the process and his counter-intuitive approach has left a sour taste among both ideological friends and foes.

Even though Davis finally signed the farm workers bill allowing binding arbitration, Latino legislators were upset he waited so long to get involved in the negotiations between growers and the United Farm Workers. Finally, UFW President Arturo Rodriguez decided to play hard ball with Davis and asked his legislative allies to send the governor a very tough bill. Davis was put in a difficult no-win position. The farm workers marched on the capital demanding that the governor sign the bill while growers – important contributors – put heavy pressure on the governor to veto the measure. In the end, the strong arm tactics used by the union prevailed. The governor's staff wanted to know why Burton, the bill's author, and others were "jamming the governor" just before the election. Why couldn't they wait till next year? Legislators say it's because they don't trust Davis to keep his word and this September – just before the election – was the time for maximum leverage on the governor.

In another case, Davis told Assemblyman Gil Cedillo (D-Los Angeles) that he would sign a bill allowing illegal immigrants to obtain licenses. Then he changed his mind and vetoed the bill saying in the Oct. 7 debate that the measure was "massively flawed." Cedillo, a former labor leader and a key Latino legislator, who modified the bill at the governor's request, was furious and castigated the governor publicly. The Latino caucus has now taken the extraordinary



**JOHN BURTON, SENATE
PRESIDENT PRO TEM**

step of saying they will not endorse Davis for re-election.

A leading state senator says if relationships between the governor and Legislature were better and a mutual level of trust existed, then the governor could have talked to Cedillo and asked him to come back with the bill next year. That would have made sense politically because it's tough for a governor – no matter how popular – to sign a bill giving rights to illegal immigrants just before an election. Davis made a mistake in promising – or seeming to promise – that he would sign this year's bill.

"The well is sort of poisoned now," says a legislative aide. "No matter what the governor does he no longer gets the benefit of the doubt. People figure everything he does is based on polls and political calculation."

It was, of course, the energy crisis that gave Gov. Gray Davis his big test. The governor has been roundly criticized for being slow to respond to the crisis and then when he finally focused on the problem – as rolling blackouts hit Northern California and national reporters flocked to California to witness the fiasco – Davis chose to duck the big decision and muddle through the crisis.

Ironically, Davis has been saved from nasty attack ads in the fall campaign. One of his key energy critics, state Sen. Joseph Dunn (D-Santa Ana), led a state investigation that uncovered damning evidence showing apparent foul play by Enron and the other energy companies in "gaming the system," thus causing electricity shortages when they did not in fact exist.

Davis reacted to the energy crisis politically – blaming the federal regulators and President Bush for failing to fairly regulate the power generators. Maviglio says once the federal regulators began doing their job – after the California Republican congressional delegation put the screws to the Bush White House when energy costs to small businesses threatened to jump 400 percent – the crisis abated. Maviglio says the state survived the summer of 2001 without a blackout, that the state built a record number of power plants to increase capacity, that "an unmatched conservation program" was launched and that the state is on its way to energy self sufficiency.

Still, Davis was painfully timid during the crisis. With the spotlight on him he failed to take bold executive action. The governor had two fundamental choices if he wanted to act instead of being acted upon. Liberals such as Dunn and state Treasurer Philip Angelides argued that the governor should have threatened to seize the energy plants using the emergency powers that the state Constitution grants the governor. Dunn says it wasn't necessary to seize all the plants – seizing one or two plants would have sent a message to the energy generators that the state was drawing a line in the sand. Instead, Dunn says Davis and the Legislature sent the entirely wrong message when they began to buy power with the state's general fund. "His decision to tap into general revenue sent the wrong message to the markets," says Dunn.

Conservatives and business leaders say Davis could have provided decisive leadership another way. As Sacramento Bee columnist Dan Walters spelled it out in a recent column, "He (Davis) and (Loretta) Lynch, his handpicked choice as PUC president, could and should have interceded boldly – raising rates [20 percent says one business leader] to promote conservation and sanctioning long-term supply contracts by the utilities. Had they done that, the utilities would not have become insolvent and the state would not have undertaken, six months later, a multibillion-dollar power purchase program that leaves Californians with sky-high utility rates and will haunt consumers for years."

"When you have power, either use it or lose it," said former Assembly Speaker, now San Francisco Mayor, Willie Brown. With either activist approach, Davis had the bully pulpit and could have defended his actions. In the first scenario, it could have been a dramatic High Noon showdown with the taciturn Gray Davis cast as Gary Cooper. We can imagine South counseling Davis: "You could emerge the populist hero who took on the energy trusts and won. But the downside risk is that the right-wing crucifies you as Jerry Brown reincarnated as Huey Long.

How will this play if you want to run for president? And the crisis could get worse if energy companies and other businesses stop investing in California. Instead of blaming President Bush and the energy companies everyone will blame you."

Davis chose to muddle through the crisis via a negotiated settlement with the Texas energy cartel. In March 2002, one year after praising expensive long-term contracts that eased the energy crisis, the governor joined other California officials in asking federal regulators to nullify them saying the deals overcharged consumers by \$21 billion. "We want to do business with people who want to make a decent profit, Davis said. "We don't want to do business with people who want to drive us into the ground." Would it have been better to draw a line in the sand? Former Assemblyman Richard Katz defends the governor. "In the immediate crisis, there was not the luxury of brinksmanship."

Talking about the energy crisis and the current budget shortfall, some business leaders see a stark contrast between Davis and Gov. Wilson. "You've got to demonstrate some leadership. Pete Wilson was clearly not loved but he was respected. He was willing to step up and take risks to make decisions and then go and sell the decisions."

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Being governor of California is one of the biggest and most important jobs in the world. It is arguably as important a job as running Microsoft or GE. Clearly, Davis is not a do-nothing governor. On many issues outside the energy crisis and the state's red ink, he has done better than his detractors give him credit. But his lack of out-front leadership on the two biggest issues have hurt him, as has his personal style, and yes, his lack of warmth.

Can Gov. Davis change his act? Can the governor learn from his first term and grow into the strong leader that Californians want him to be? Habits are ingrained; change is not easy. As Davis said at the end of the Oct. 7 debate, "My father used to say that you can tell where a person is going from where he has been." Still, Davis' strong suit is his discipline and focus. If he decided that he needed to approach his job as governor in a fundamentally different manner he might be able to will himself to do so.

The carrot, of course, is that if Davis does a superior job in his second term, he may have a chance to continue his political career – with an eye on Washington, D.C. Bill Hauck, president of the California Business Roundtable, says Davis needs to do two things well in his second term: one is manage the state's massive fiscal crisis in a responsible manner. "He needs to return the state to sound fiscal condition and have people perceive him as a leader in doing this." Second, he must work hard to make the education reforms work and "extend to voters the concrete perception that California's public schools are indeed better."

A legislator echoes that comment saying that the field to replace U.S. Sen. Dianne Feinstein will be crowded if she chooses to step down in 2006. Four years is a lifetime in politics. Whether Davis goes into retirement or to Washington, D.C. heavily depends on his job performance beginning Nov. 6.

To be successful in his second term, Davis will need to refocus his famous concentration away from fund-raising and the permanent campaign. He will need to stop playing the anti-politician and acting as if he can run the state flying solo. If the governor wants to reveal a new Gray Davis he would be wise to draw on the experience of three former governors. A formula for political success would include these new habits: First, reach out to the Sacramento community. Mend fences, make friends. Be less like Jerry Brown and more like Pat Brown. Second, look for the chance to make the big policy decision and communicate what you are doing with bold strokes. Be more like Pete Wilson. Third, shore up your political base first and then work toward the middle. Learn to delegate and spend more time focused on the big picture. Be more like Ronald Reagan.

Some politicians learn from constructive criticism, others do not. If Gov. Davis is as smart as people say, he will consider changing his act. OCM