

Oppose budget cuts in California! Defend jobs and education! Unite workers behind a socialist program!

Statement of the Socialist Equality Party

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The Schwarzenegger administration, in collaboration with the Democratic Party-controlled state legislature, is carrying out an unprecedented attack on the population of California. With the backing of the Obama administration, the politicians in Sacramento are seizing on the economic crisis gripping the state to gut basic social programs upon which millions of people depend.

The programs set to be cut include: the state welfare program, serving 1.3 million people; the Healthy Families Program, which provides subsidized medical coverage for hundreds of thousands of poor children; the Cal Grant program for college students. Many other social services are also being targeted.

Once again, state funding for education will be reduced by billions of dollars. California, the country's most populous state, which once boasted one of the best education systems in the country, will soon rank last in metrics such as per-pupil funding and teacher-student ratios. Thousands of teaching and staff jobs will be eliminated.

Schwarzenegger is pressing for the inclusion of other measures long desired by the corporate elite, including the fingerprinting of recipients of state aid. Another proposal would limit welfare and health care for undocumented immigrants.

What remains of the social safety net in California is being decimated. The entire burden of the California budget deficit, which now stands at \$26.3 billion, is to be placed on the working class. At the same time, workers throughout the state face soaring unemployment (presently at 11.5 percent), declining wages, and a collapse in property values.

The class line-up

Schwarzenegger's policy corresponds to the interests of the most powerful sections of the corporate and financial elite in California and the US. The banks view the economic crisis as an unprecedented opportunity. As Schwarzenegger recently put it, "If you can't get them to cut down the costs of government when the state is facing such a financial crisis, then it's never going to happen."

Exposing the class realities of American society, the major banks made the decision to stop accepting state-issued IOUs on July 10, increasing pressure for a quick resolution of the budget stalemate. These institutions, which have received hundreds of billions of dollars in taxpayer money, once again demonstrate their ruthless pursuit of profit at the expense of working people.

The financial aristocracy sees its vast wealth as a birthright to be defended at all costs. Such programs as welfare, health care for the poor and public education are seen as unnecessary drains on profit.

The Obama administration

The Obama administration is leading the offensive against the working class in California. It has repeatedly

rejected federal aid, demanding that the states "put in place reforms that will restore their creditworthiness." California is seen as a precedent. The cuts made here will become the norm throughout the country.

In 1975, the Ford administration refused to provide assistance to New York City when it faced financial collapse, prompting the famous newspaper headline: "Ford to City: Drop Dead!" Today, the Obama administration is carrying out a broader and even more destructive policy.

The government has plundered the national treasury to bail out the financial elite, while leaving the states without any resources. During the New Deal period of the 1930s, the federal government was expanded, in large part through the enactment of federal social programs. Now the federal government plays the opposite role, encouraging cuts in social programs at the state level as a precedent for cuts in basic entitlement programs at the national level.

Any hope that workers placed in the "change" pledged by the Obama administration have been quickly dashed. This is a government of, by and for the financial aristocracy.

The state Democratic Party and the trade unions

At the state level, the Democratic Party is collaborating in the imposition of cuts. Whatever their temporary and tactical differences, the Democrats and Schwarzenegger are united in attacking the working class. The Democrats have proposed somewhat smaller cuts in social spending, combined with tax increases that will fall primarily on ordinary people.

The cowardice and complicity of the Democratic Party-controlled state legislature gives Schwarzenegger the confidence that he will eventually have a budget based on his demands.

The municipal and state unions—including the Service Employees Industrial Union (SEIU), the California Federation of Teachers (CFT), the California Teachers Association (CTA), and the state workers unions (AFSME and CSEA)—have done everything they can to subordinate the working class to the Democratic Party and the Schwarzenegger administration. Among the unions, there is a certain division of labor. The CTA has continuously accommodated itself to the budget-cutting demands of Schwarzenegger, promoting the illusion that making a deal with the governor would result in the restoration of some school funding. The CFT has made a show of greater opposition, while directing the massive opposition among teachers and youth into the safe channel of pressure on the Democratic Party.

A new political program for the working class

The entire framework of the debate over the budget must be rejected. If a disaster is to be averted, the working class of California—including industrial and

service workers, teachers and health care workers, immigrants, youth and unemployed—must impose its own solution to the crisis.

For mass opposition! Build independent rank-and-file committees!

If workers in California are to defend their jobs and livelihoods, they must fight back. This means organizing mass demonstrations, factory and workplace occupations and the preparation of a general strike throughout the state. The working population of California must declare: Any attempt to impose these budget cuts will be met with mass resistance!

To organize opposition, workers need new organizations, independent of the unions. The Socialist Equality Party calls for the formation of rank-and file workplace and neighborhood committees to unite all sections of the working class on the basis of their common interests. If this struggle is to succeed, however, it must be based on a new political strategy.

Reject all budget cuts!

It is not a question of which social programs must be pared back, of how much must be cut from education and how much from health care. The question for workers is: *What is the necessary strategy to oppose all cuts.*

The SEP calls for an emergency program to address the economic crisis in the interests of the working class. Hundreds of billions of dollars must be made available to provide food, medicine and shelter to those in need. A public works program is required that will set as its immediate task rebuilding industry, reconstructing and expanding schools and health care facilities, addressing the state's critical water and other environmental problems, and developing critical social infrastructure.

The argument that there is "no money" to fund education and social programs, that there is no alternative to cuts, is a lie. When it comes to bank bailouts and the interests of the wealthy, there is no limit to the money available. Thanks to government largess, this year the bankers at Goldman Sachs are bringing home record bonuses. The richest man in California, Larry Ellison, has a personal net worth approximately equal to the entire budget deficit of California. The problem is not a lack of resources, but the subordination of society to the interests of the wealthy few.

For the unity of all workers!

Every section of the working class is affected by the economic crisis, which knows no borders. Official unemployment is soaring into the double digits in states throughout the country. Outside the US, the economic

situation is as bad if not worse, with global production expected to decline by 3 percent this year—the first annual contraction since the Second World War. This year, for the first time in human history, more than one billion people will go hungry.

As the crisis deepens, the corporate elite will increasingly resort to anti-immigrant chauvinism, blaming the state's crisis on some of the most exploited sections of the population. The working class of California must reject all attempts to pit one section of workers against another. All workers have the same class interests. The working class is an international class, united by the production process and exploited by the same corporations and banks.

For the political independence of the working class!

The working class needs its own political party. The policy of the trade unions has left the working class defenseless. It has no political voice, and the corporate elite—through the bought-and-paid-for Democratic and Republican parties—has free reign to impose its solution.

The crisis in California demonstrates the impossibility of affecting change through the existing political system. The Schwarzenegger administration was installed through the recall of right-wing Democrat Gray Davis. The result: even deeper attacks on the working class. The political establishment is completely impervious to the wishes and needs of the population.

For equality and socialism!

The crisis in California is rooted in the failure of capitalism, a social system based on private ownership of the main levers of economic life by a tiny layer of the population, which controls them in the interests of private profit and individual wealth accumulation. Such a system is incapable of meeting the needs of workers and youth for education, health care, good jobs and housing, and a future for coming generations.

There is no solution to the crisis within California alone. The problems confronting the state are only a concentrated expression of the failure of world capitalism. The alternative to capitalism is socialism—an egalitarian world society based on the rational and democratic development of the wealth of the planet in the interest of social need. This requires the nationalization of the banks and large corporations and their transformation into public utilities under the democratic control of the working class.

The SEP calls on all workers who are looking for a way to fight against these attacks to come to our public meeting [link]. Read the *World Socialist Web Site* (wsws.org) and join the Socialist Equality Party.

Public Meeting

Saturday, August 1 • 2pm-5pm

South Pasadena Public Library | Library Community Room
1151 El Centro St. | South Pasadena, CA

To contact the Socialist Equality Party, visit **www.wsws.org**

or write to **sep@socialistequality.com**

Read the World Socialist Web Site — **wsws.org**