

In the midst of budget meltdown

Republican right tries to overthrow California Governor

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In the midst of the worst budget crisis in the state's history, a layer of the far-right political establishment in California has undertaken a full-scale effort to remove the state's Democratic Governor Gray Davis from office through a recall.

Begun in January of this year, the campaign claims that Davis's "out of control" spending and failure to publicize the looming budget crunch during his reelection campaign make him personally responsible for the more than \$38 billion state deficit. With a total annual budget of \$76 billion, California's treasury is short of over half of the money needed to fund state services.

Spearheaded by a layer of right-wing ideologues unwilling to tolerate even the center-right politics of Davis and California's Democratic Party, the recall campaign bears a striking similarity to the Clinton impeachment, which sought to overturn the results of a democratically held election despite the absence of any mass support for such a move.

Signature gatherers employed by the "Rescue California" and "Recall Davis" organizations and paid \$1 per signature have jointly collected about half of the approximately 900,000 signatures needed to place the recall question on a ballot. If the petition drive is successful, an election will be held to decide the issue in either November 2003 or March 2004. The date of the recall ballot depends on how soon the requisite signatures are submitted to the Secretary of State's office.

California law mandates a peculiar procedure for the recall of a state officer—an election to recall the governor will be held in tandem with an election to choose his successor, should that recall be successful.

In a recall election, voters will be asked to vote on two questions. The first of these is whether or not Governor Davis should be removed from office. A straight majority of votes will decide the matter. The second question will be a list of candidates that the voters can choose from in order to replace Davis should the recall be successful.

With the exception of Davis himself, who is ineligible, anyone who can submit 100,000 signatures or 65 signatures and \$3,500 can run as a replacement candidate. Primaries will not be held by the two major parties in order to decide who will represent them. Instead, numerous candidates from the same party can—and it is expected will—compete for the governorship.

It is possible to vote "no" on the recall and still choose a replacement for Davis in the event that the recall is successful. However, only a plurality of the vote is needed for the successor to win the governorship. In the event that the governor is recalled, it is likely that whoever replaces him would have the support of only a small percentage of the population.

The procedural structure of the recall also means that the election of a replacement candidate is something of a crapshoot, with little certainty as to who Davis's successor would be.

Prior to a \$1 million donation from multimillionaire Republican

Congressman Darrell Issa of Vista, California last month, the recall campaign was weak and expected to peter out. However, since the infusion of funds from Issa, the campaign, which is spearheaded by a layer of conservative anti-tax advocates and central figures from California's Republican Party, has come to pose a serious threat to Davis's governorship.

Issa's political background exposes the nature of the political interests behind the recall drive. Owing his personal wealth to the profits amassed from a car alarm business, he comes from one of the most right-wing counties in California. He has a political record typical of the most conservative sections of the Republican Party, having voted along White House lines on the wars in Afghanistan and Iraq, the amendment to ban flag burning, the restriction of so-called partial-birth abortions, and the multibillion-dollar tax cuts.

In a display of crass opportunism, he is the only person thus far who has announced he will run as a replacement candidate in a recall election. He is currently under investigation for violating the McCain-Feingold Act on campaign finance by soliciting soft money contributions for the recall effort.

While at a certain level Issa's personal political calculations play a role in the recall campaign, the effort to remove Davis from office has a wider base of support within the California Republican Party.

The recall is unfolding in the context of a legislative impasse in the State Assembly over the passage of a budget designed to meet California's \$38 billion deficit for the fiscal year that began July 1. The Republicans are refusing to sign on to a proposal put forward by Davis that includes a combination of massive spending cuts, borrowing, a half-cent sales tax increase and a hike in vehicle registration fees. Instead, they are insisting that the state cut its way out of this massive financial hole—a proposal that would mean the elimination of half of California's state budget.

The budget fight is a study in brinkmanship. Despite the fact that they are a minority in the State Assembly, the Republican minority has arrogantly rejected any compromise. Because the budget deadline has already passed, state funding is only able to continue at the moment because of \$5 billion left over from an \$11 billion loan taken out last month. These monies will run out in August, at which point all but the most essential state services will essentially shut down and state employees will see their salaries revert to the minimum wage of \$6.75 an hour. The state is already withholding funds for community colleges, nursing homes and schools.

The support of a section of California's Republican Party for the recall has escalated the pressure on Davis in the budget standoff. In tandem with other leading Republican members of the state legislature, the vice-chair of the Budget Committee, John Campbell, has come out in support of the recall effort. Jim Brulte, leader of the Republicans in the State Senate, has

not made a public statement of support for the recall. However, his recent statement that he will work to ruin the political career of any Republican who breaks ranks and signs onto Davis's budget proposal expresses a determination to cripple Davis's leadership and is regarded by many analysts as indicating implicit support for the recall effort.

In addition to Issa and the Republican state legislators, key Republican politicians and party activists in California, including Bill Simon Jr. (who lost to Davis in November 2002) and Hollywood actor Arnold Schwarzenegger, are supporting the recall drive and reportedly considering running as replacement candidates. The far-right Libertarian and American Independence parties, as well as a section of the Green Party, are also backing the measure.

Those spearheading the recall base themselves on that narrow layer of the population and business interests that view even the minimal tax increases proposed by Davis as intolerable and the massive social spending cuts as far too limited. On July 1, the Republican Party unveiled its own budget proposal, which would solve the crisis in part by imposing more than \$1 billion in additional cuts in public education. This would be carried out by raising the kindergarten enrollment age, thereby denying entry to over 100,000 children in the coming school year, and by slashing money for the state's public university system by the equivalent of one year's funding for an entire university campus.

Despite the fact that the recall effort, if successful, will take the form of a popular referendum, the effort to remove Davis is an attempt at a political coup by a section of the far right. Davis had only just been reelected and returned to office in January of this year when the recall drive was unleashed.

Hostile to democratic rights and divorced from the needs of ordinary Californians, this layer has no mass base of support among the working and middle class people in the state who will be suffering the fallout of the budget deficit.

The vast bulk of the signatures in support of the recall have thus far come from some of the wealthiest and most right-wing counties in California. To whatever degree the recall receives any wider support among the population, it does so by tapping into and attempting to confuse the deep-seated and widespread anxieties and anger felt by millions of people about the looming impact of the budget crisis on the state's social infrastructure.

While Davis's record is no better than that of other big business politicians and the financial disaster confronting California is very real, the reasons for this crisis cannot be attributed to him personally. Ultimately, the \$38 billion hole in the state budget is the product of the reactionary economic and political policies that have been pursued by both Republican and Democratic politicians over the past several decades, amounting to a frontal attack on the living standards of California's poor as well as the state's working population.

The real origins of the massive state deficit lie in the energy crisis of 2001-2002 that saw the plundering of California's treasury by the major energy corporations, as well as in plummeting tax revenues due to the collapse of the information technology industry and the implosion of the stock market bubble. Also contributing to this crisis is the cumulative impact of a tax policy that, beginning with the freezing of property tax rates in 1978 under Proposition 13, combines cuts in income and property taxes for the wealthy with higher regressive sales taxes on the poor and working class.

Thus far, the White House has not made any public statement about the Davis recall campaign. Its reticence is symptomatic of the uncertain short-term political implications of the effort. Some reports indicate that Karl Rove, President Bush's chief political advisor, is critical of the recall because he feels it is detracting from Bush's fundraising for the 2004 election. This concern is coupled with the belief that Bush's 2004 reelection campaign in California will be aided by running in a state in

which a Democrat is at the helm of a government mired in the worst financial crisis in its history.

However, other reports claim that the White House is quietly encouraging the recall behind the scenes. A columnist for the *LA Weekly* reported that Rove had been in touch with state Republican Assembly Chair Jim Brulte to express his support for an aggressive posture towards Davis in relation to both the budget and the recall. Brulte, who has not come out publicly in support of the recall, denies that any such exchange occurred.

It is possible that one of the aims of those spearheading the recall is to seriously destabilize the Democratic Party in California, which President Bush lost in 2000, and which is expected to be a hotly contested state in the 2004 contest. As the recall effort has emerged as a serious challenge to Davis, the Democratic Party has struggled to orient itself in the midst of an attack on a standard bearer whose approval ratings stand at somewhere below 25 percent.

At the national level, the Republican Party is reportedly split over its attitude towards the recall, with similar concerns to those supposedly held by the White House about the benefits and dangers for the 2004 election campaign. A similar attitude is held by elements within the state Republican Party, who in agreement with the Democrats see the recall effort as a danger to the state's tenuous economic position.

"A recall would throw this state into chaos—guaranteeing that California's deep economic malaise would continue," read a recent "Open Letter" in the *Los Angeles Times* asking Bush to intervene against the recall.

It is unlikely, however, that the California Republicans would be mounting such an offensive against Davis without the tacit support of important sections of the national party. Indeed, the continued public silence of the White House on the matter is a signal, at the very least, of Bush's willingness to see what benefits might arise from the Davis recall.

Indeed, the use of a right-wing cabal of political and business leaders to overturn the results of a democratic election are not methods foreign to either the Republican Party or the Bush White House. The tactics being used by Issa and the California Republicans echo those employed at the national level in the impeachment trial of Clinton and in the 2000 election Florida recount. Issa has hired Ben Ginsberg, the lead counsel for the Bush team in the 2000 Florida recount, as his senior legal advisor in the recall campaign.

After a period of publicly ignoring the right-wing challenge, the state's leading Democrats have come out in opposition to the recall. However, they have not mounted a strong defense of the governor's political record and his handling of the budget crisis. It is not clear what the Democratic Party will do if the recall effort makes it onto the ballot, as they will be confronted with the possibilities of either potentially allowing a Republican candidate to win a replacement candidate vote or running candidates against a sitting Democratic governor.

Currently, three potential Democratic contenders for the replacement governorship—Cruz Bustamante, Phillip Angelides and Bill Lockyer—have said that even if the recall makes it to the ballot, they will not stand as replacement candidates. However, US Democratic Senator Dianne Feinstein, the leading California politician within the party, has not ruled out a possible candidacy.

The campaign to defend Davis against the recall is not being spearheaded by the California Democratic Party itself. Instead, a group of labor unions, religious organizations, civil rights groups and business interests opposed to the Republicans' efforts have created the "Taxpayers Against the Recall" coalition and the "Stand for California Coalition."

The trade unions are playing a leading role in these efforts. They are using the recall as justification for their subordination to the Democratic Party and their support for the Davis budget proposal. While more moderate relative to the cuts demanded by the Republicans, the

Democrats' proposal spells disaster for the working class in California. Even with the minimal tax increases included in the Davis budget, the state will seek to resolve the budget crisis through dismantling social services and cutting state funding for all manner of education, health care, the environment and public safety.

Davis is currently demanding that 180,000 state employees relinquish the 7 percent wage hike they received only last year.



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