

California: Schwarzenegger transition team reveals right-wing agenda

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On October 6, California governor-elect Arnold Schwarzenegger announced a 65-person transition team to advise him on initial policy decisions and on filling administration positions. Schwarzenegger touted the team as reflecting a “wide range” of the political spectrum, from Bill Simon on the Republican right, who lost to Gray Davis in the 2002 election, to San Francisco mayor Willie Brown “on the left.” Despite such claims, dutifully parroted by the mass media, the essence of the team and Schwarzenegger’s policies are clear for all to see.

Heading up the team is California congressman David Dreier, a Newt Gingrich/Tom DeLay acolyte, and close Bush ally. Other prominent Republican businessmen and politicians include Gerald Parsky, the investment banker who heads up Bush’s political operations in California; Hewlett-Packard head Carly Fiorina; former Los Angeles mayor Richard Riordan; former California Republican governor Pete Wilson; billionaire Eli Broad; and executive Bob Grady from the Carlyle Group, the defense industry investment fund in which the Bush family has major holdings.

Team member George Schultz, from the board of the Bechtel Corporation (a former Reagan and Ford administration official), summed up where Schwarzenegger is heading: “He is going to solve the budget problem by cutting spending and not by raising taxes. The whole tone of Sacramento is going to turn 180 degrees, from being anti-business to being pro-business.”

“Pro-business” is the code word for further dismantling what remains of social welfare programs and any regulatory impediments to corporate profit-making. These layers backed the recall and selected and funded Schwarzenegger as their front man in the first place because they were dissatisfied with the pace and

scope of Davis’s already pronounced budget-cutting attacks on social services such as education and health care. They demanded an administration that will go much further down that road.

Schwarzenegger has included on his transition team such Democratic mayors as Jim Hahn of Los Angeles and Brown of San Francisco, plus Democratic officials from the State Legislature, not to mute the right-wing agenda of his backers, but to camouflage the ferocity of the coming attacks on the interests of workers. This is an attempt to further perpetuate the illusion that he is the candidate of all the people, standing above the usual political pull of “special interests.”

The Democratic Party, shattered by its defeat in the recall election, is in any event almost sure to move further to the right and collaborate with the new Republican governor. As team member California Democratic Assembly speaker Bob Hertzberg gushed: “It’s a very positive sign about wanting to build a meaningful bipartisan government.” Senate president pro-tem John Burton and Willie Brown both emphasized their willingness to work closely with Schwarzenegger.

Schwarzenegger also named the director of Florida’s Department of Finance Donna Arduin to head up his “audit” of the California budget. Arduin was “loaned” by Florida governor Jeb Bush for this purpose. She previously worked for Republican governors in Florida and Michigan to slash social programs and spending in those states.

Schwarzenegger has repeatedly claimed “there is a lot of waste we will find” in the budget. He told ABC News’s Peter Jennings in an interview that cutting government employees will “save \$1 billion right there.” The state just signed new labor contracts and is already laying off 16,000 state employees as a result of

the budget reached a few months back. Schwarzenegger says he will renegotiate the contracts, apparently using the threat of further layoffs as a stick.

Most spending outside K-12 education, which is itself mandated at certain percentages by state law, goes to health care and welfare, which already have been substantially cut back. Thus, spending cuts will necessarily affect those areas, with the greatest burden being imposed on the most impoverished layers of the population. Schwarzenegger's campaign promise that he would balance the budget without cutting essential social services was simply a lie.

Schwarzenegger's 2004-2005 budget is due to be sent to the printer at the end of December and must be submitted to the legislature in January. His efforts to balance it will face certain obstacles.

Recently filed lawsuits have challenged \$13 billion in state borrowing. A liquidity crisis could appear in a few short months for that reason alone.

Schwarzenegger has promised to rescind the increase in the car registration tax, which will cost the treasury another \$4 billion on top of the currently estimated \$8 billion shortfall.

The bond-rating agency Standard & Poor's recently warned investors that cuts in the car tax could cause "a major loss of county discretionary revenues and possibly a large cut in social service spending, unless reimbursed by the state." That is because the tax is allocated to counties and cities for spending on police and fire departments, public health agencies and the like.

Schwarzenegger has also claimed he will renegotiate gaming compacts with Indian tribes to raise another \$2 billion in revenue. But 10 years are left on the compacts, which were negotiated to the last penny the first time around. The tribes can simply say, "Take a hike."

Schwarzenegger's recent boast that he will pry another \$50 billion out of Washington for California is similarly farcical given the unprecedented federal budget deficit. Last Thursday, Schwarzenegger met with Bush in Riverside, Calif. The movie actor called Bush "the greatest ally this golden state has in Washington." In other words, Schwarzenegger is fully in tune with the Bush administration policies of criminal war overseas and tax cuts for the wealthy. Neither Bush nor Schwarzenegger said whether any

progress had been or could be made in directing more federal funds to California in light of the looting of the federal treasury to fund those policies.

Despite limits on further revenue and impediments to further cuts in spending, Schwarzenegger has reiterated his campaign promise that he will not raise taxes. In fact, he has continued to promise he will cut taxes for corporations and the wealthy, reducing "taxes that make our state uncompetitive."

Although Schwarzenegger soundly trounced the Democrats, he still received only 17 percent of the votes of those persons eligible to vote in California, many of whom either are not registered to vote or do not vote even if registered. That hardly constitutes a mass social base for his program of further austerity for the working class and unfettered accumulation of society's benefits for the wealthy and large corporations.

All of this is a sure recipe for a looming crisis as well as intensified political and class conflict. The campaign image of Schwarzenegger riding to the rescue for the benefit of all people and classes will soon be revealed as a silly Hollywood fantasy, and replaced by a grim "Terminator" reality.

These conditions create the basis for building on the gains made by the Socialist Equality Party in its campaign for the candidacy of John Christopher Burton during the recall election. Increasing numbers of workers, youth and others will grasp that the crisis in California is an expression of a broader national and international crisis of the capitalist system that can be resolved only on an internationalist and socialist basis through the building a mass independent political movement of the working class.



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