

California Governor Schwarzenegger launches right-wing agenda

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Within the first two weeks of taking office, California's recently elected replacement governor, Arnold Schwarzenegger, has unveiled a series of reactionary measures. In addition to laying out an initial \$3.8 billion worth of cuts in social services, Schwarzenegger is calling for the implementation of a budgetary spending cap and a massive borrowing scheme that will ultimately lead to the gutting of public services of all kinds.

The Republican administration is seeking to provide big business with immediate benefits, while staving off fiscal insolvency by means of a \$15 billion bond measure. This massive increase in state debt will enable Schwarzenegger to put off the most brutal cuts in social programs until after the November 2004 presidential election.

There are two main reasons for this tactic: first, to avoid provoking public outrage against a Republican administration in the midst of President Bush's bid for reelection, and, second, to ease the way for the Democratic Party in California to collaborate in the implementation of the Republican social agenda. Democrats dominate both houses of the California Legislature and therefore it is imperative that Schwarzenegger bring a significant section of them on board in order to implement his policies.

The \$3.8 billion in budget cuts proposed by Schwarzenegger over the next two years take aim at California's most vulnerable populations. The proposed measures would restrict food stamp eligibility, eliminate art-based therapy for the developmentally disabled, decrease compensation for doctors who treat patients in the state's health insurance program for the needy, reduce financial support for children in foster care, slash funding for the provision of in-home and transportation services for the elderly, and freeze enrollment in California's health insurance program for poor children. In addition, \$98 million in unspecified cuts would be imposed at the state's public universities, and campus recruitment

programs would be eliminated.

These proposals, announced last week, are in keeping with the path laid out by Schwarzenegger on his first days in office. On November 17, the day of his inauguration, Schwarzenegger demanded that the legislature restructure California's workers' compensation system in order to save employers and insurance companies an additional \$11 billion, on top of an estimated \$3 billion-\$5 billion in savings enacted earlier in the year.

He reiterated his campaign promise to his corporate backers not to raise taxes, and issued an executive order suspending for 180 days executive orders that had been implemented by Governor Gray Davis, a Democrat, between the latter's election to a second term in November of 2002 and his ouster in the recall election held in October of this year. Davis' orders included a number of environmental regulations vehemently opposed by big business interests in California.

At the same time, Schwarzenegger repealed the trebling of the vehicle registration tax that had been ordered by Davis earlier in the year. Public anger over this regressive tax hike—which would have cost vehicle owners hundreds of dollars a year—was a major factor in Schwarzenegger's successful bid to recall Davis and replace him as leader of the largest state in the US. In repealing the vehicle tax increase, however, Schwarzenegger increased the state's budget deficit by \$4 billion.

The spending cap proposed by Schwarzenegger last week would force lawmakers to cut state expenditures by 20 percent in 2004 alone. In addition, the measure would allow the governor to make further budgetary reductions throughout the course of the year should a shortfall arise. The spending cap would, in practice, annul a prior law mandating that approximately half of the state's general fund be dedicated to education, leading to severe cuts in this area. It thus reverses one of Schwarzenegger's key campaign promises—a pledge to protect education.

Schwarzenegger's plan is to gain legislative approval for the spending cap and then place the measure on the March ballot. If the voters pass the proposal, the politicians can claim they are simply imposing the will of the people as they dismantle social services.

The \$15 billion bond measure is being proposed by Schwarzenegger to deal with the state's \$14 billion deficit. Borrowing on this scale for general governmental obligations, as opposed to specified projects such as infrastructure and schools, is unprecedented. It will require payment of an additional \$15 billion-\$20 billion in interest and fees over the life of the bonds. This comes on top of another \$27.6 billion in bond debt outstanding, plus an additional \$23.2 billion in bonds previously approved by the voters. Wall Street is expected to impose stringent terms to handle the new bond offering, given the level of outstanding debt and the state's budget deficit.

This plan to mortgage the state's treasury is the height of hypocrisy for Schwarzenegger, who throughout his election campaign accused Gray Davis of "fiscal irresponsibility" and claimed that an audit of the state's finances would reveal massive waste. On November 14, incoming budget director Donna Arduin declared that the results of her audit of the state's books had uncovered no significant "fat" that could be trimmed without affecting basic programs.

The Democratic Party has already indicated its readiness to collaborate in the new administration's austerity policies. Several prominent Democrats, such as San Francisco Mayor Willie Brown, Los Angeles Mayor Jim Hahn, and Assembly Speaker Herb Wesson, joined Schwarzenegger's transition team as a show of bipartisan support. In addition, the new governor has sprinkled his administration with prominent liberal Democrats.

The Democratic Party offered no resistance to Schwarzenegger's demand for a special legislative session to debate his borrowing and spending cap proposals. Last Tuesday, the state Senate, in which the Democratic Party holds a majority of ten senators, voted unanimously to support Schwarzenegger's proposal to repeal recently enacted legislation allowing undocumented immigrants to obtain driver's licenses. Not one of the six Latino senators could summon the political backbone to vote against Schwarzenegger's anti-immigrant measure, which the millionaire film actor and former body-builder had made a central plank in his election campaign, in a thinly veiled appeal to anti-Hispanic prejudice. Instead, the Hispanic Democrats

abstained.

Schwarzenegger is combining these attacks on the living standards and democratic rights of California's working people with threats to bypass the legislative process and go directly to the voters for approval of his initiatives should the state legislature fail to fall into line. In this way the new governor is signaling his intention to rule in a quasi-Bonapartist manner, posing as an authoritative figure who is "above politics," while in reality pushing an agenda set by the corporate elite.

The character of Schwarzenegger's administration was foreshadowed by the manner in which he gained office. He obtained the governorship through an anti-democratic effort launched by right-wing Republicans to remove Davis. The recall effort, which was financed by Republican multi-millionaire Darrell Issa, started only three months after Davis was elected to a second term and barely a month after he had taken office.

Issa and his allies hired canvassers to amass the signatures necessary to get the recall onto the ballot, capitalizing on widespread disgust with Davis' right-wing policies and disillusionment with the Democratic Party. Schwarzenegger ran a demagogic campaign, portraying himself as a tribune of "the people" rather than a tool of "special interests." He refused to spell out his program and instead relied on Hollywood-style photo-ops and empty slogans to hide the reactionary character of his political agenda.

Just as it proved incapable of fending off the recall effort, the Democratic Party is proving itself incapable of mounting any opposition to the policies of the Schwarzenegger administration. The Democrats have no alternative social program to offer, since they are themselves beholden to the same corporate interests that stand behind the new Republican administration.

Schwarzenegger's initial actions as governor and the prostration of Democrats underscore the need for the working class to build a mass political party independent of the two big business parties. These developments vindicate the socialist perspective advanced by John Christopher Burton, the candidate of the Socialist Equality Party in the recall election.



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