

Republican governor vetoes minimum wage increase

Democrats, unions capitulate to new attacks by Schwarzenegger on California workers

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Last month, California Governor Arnold Schwarzenegger vetoed legislation to increase the state's minimum wage from \$6.75 to \$7.75 an hour over the next two years. The waffling response of the Democratic Party leadership provided further proof that this party is incapable of mounting any defense of the living standards of the working class.

The Democrats' proposed increase was entirely inadequate. Adjusted for inflation, the value of California's minimum wage has declined by 28 percent since 1968, when the minimum wage reached a high of \$9.36, when measured in 2004 dollars. The Democrats' proposed increase of 50 cents per year would have had little impact on the conditions of California's low-wage workers.

According to a report by the California Budget Project, 1.4 million workers were employed at or within one dollar of the minimum wage last year. Of these workers, 83 percent were adults, and most, over 60 percent, worked full-time. More than half (54.1 percent) of California's low-wage workers were Latinos, a number dramatically disproportionate to the Latino population in the state workforce (32.1 percent).

US Department of Labor statistics show that California's minimum wage is the lowest on the West Coast, and provides an annual income far below that required to raise a family. If paid the current minimum wage, the annual income of a worker employed full-time in the state would total just over \$14,000—less than the federal poverty line for a family of three. Even with the proposed increase, the annual income of the same worker would be slightly more than \$16,000, falling between the poverty line for a family of three and that for a family of four.

In the most populated areas of California, the cost of

living far exceeds the national average. In Los Angeles County, for instance, a worker would need to work full-time at an estimated wage of \$19 an hour, nearly three times the state minimum wage, to provide a modest standard of living for a family of three.

The Democratic Party made no effort to mount a serious campaign in favor of the minimum wage increase prior to Schwarzenegger's veto, and its only response to the governor's action was a press release declaring that "Arnold has failed the working poor of this state" by ignoring the "right thing to do." Likewise, while the California Labor Federation (AFL-CIO) issued a half-hearted denunciation of Schwarzenegger for "favoring the wealthy over the people of California," the union took no action in response to the veto.

The veto of the minimum wage bill was just one of 243 vetoes issued by Schwarzenegger during his first year in office, following the right-wing-inspired recall campaign against Democrat Gray Davis. Appealing to the xenophobic and immigrant-bashing right wing, Schwarzenegger vetoed a recent bill allowing California's 2 million undocumented immigrant workers to obtain driver's licenses. He did so despite the Democratic Party's efforts to accommodate his administration. The Democrats, who control the state legislature, had not opposed increased fees, security checks and other restrictions for undocumented immigrants.

Schwarzenegger has vetoed legislation to lower prescription drug costs by allowing direct purchases from Canada and group discounts, to prohibit employers from secretly monitoring employee e-mails, and to bar agribusiness from forcing workers to taste unwashed grapes to test ripeness. He has also vetoed bills to require that insurers provide maternity benefits, to establish new

standards for environmental protection of the rapidly growing ports of Los Angeles and Long Beach, and to ease the requirements for releasing terminally ill and quadriplegic inmates from prison before the completion of their sentences.

Commentators have pointed out that Schwarzenegger's vetoes were of particular assistance to pharmaceutical companies, car dealers and other industries that made large contributions to his campaign. The Foundation for Taxpayer and Consumer Rights, a Santa Monica advocacy group, calculated that Schwarzenegger took more money from drug companies over the last year than any elected official other than George Bush.

Schwarzenegger's blatant pro-business agenda is in direct conflict with the trajectory of public opinion in the state. According to a recent poll by the Public Policy Institute of California, 54 percent of Californians favor governmental regulations to protect the public, an increase of 8 percent since 2000.

Schwarzenegger's veto provides further proof of his administration's orientation toward the interests of big business in the state. While coming to office as "the people's governor," his administration, with the assistance of the Democratic Party, has consistently pushed through policies detrimental to the needs of the vast majority of Californians.

The actions of California's Republican administration and the reaction of the Democratic Party and its backers in the trade union bureaucracy vindicate the warnings made by the Socialist Equality Party in the course of its campaign during the 2003 recall election. SEP gubernatorial candidate John Christopher Burton stressed that there existed no support in either of the two parties of big business for the defense of the living conditions of working Californians. No matter which of the two major parties took power after the recall election, Burton insisted, the attacks on the living standards of the working class would be intensified. The only basis for fighting these attacks, he argued, was the building of an independent socialist movement of the working class.



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