Illinois governor outlines continued assault on working class

Tom Mackaman 2 February 2006

Last month the Democratic governor of Illinois, Rod Blagojevich, delivered his State of the State address to the Illinois House and Senate. As several commentators noted, the January 18 address amounted to Blagojevich's first campaign speech for the upcoming 2006 gubernatorial election.

Blagojevich, like Michigan Governor Jennifer Granholm and Iowa Governor Tom Vilsack, is cut from the cloth of the "new Democrats"—politicians like former President Bill Clinton who have done everything to disassociate themselves from the reformist past of the Democratic Party and embrace deregulation, tax-cutting, law and order and "personal responsibility."

Because the Democrats still depend on the electoral support of workers and liberal-minded voters, Blagojevich and others make mild criticisms of the Bush administration and posture as defenders of ordinary people while faithfully executing policies that defend the interests of big business and the wealthy elite.

Such a moment arrived for Blagojevich in his 2006 State of the State speech. The governor attempted to profit from the deep anger of Illinois' working population toward the Bush administration by emphasizing differences with Republicans on a few "hot-button" social issues, such as funding for stem cell research, while at the same time outlining a \$3.2 billion investment in infrastructure and a series of smaller funding proposals designed to create momentum for his campaign.

While Blagojevich's call for investment in public works aims to garner working class support with its promise of jobs, it also reflects a dawning awareness among the elite that the crumbling of the Illinois infrastructure has hopelessly undermined the state's competitive position in the global economy. After years of austerity, budget shortfalls and bitter regional competition over how meager funds should be allocated, infrastructure is in an advanced state of disrepair.

Predictably, Blagojevich offered few details on how he would fund his various proposals. Since the governor and all the major factions within the Illinois Democratic Party—which now dominates state politics—have adopted the Republicans' mantle of financial austerity by promising not to increase income taxes on corporations or the state's wealthiest residents, the governor's proposals were greeted, even by the mainstream press, with skepticism. They are, therefore, little more than hollow election year promises.

But to whatever extent Blagojevich will follow through on his proposals, he has made clear that they will be paid for not by the myriad Fortune 500 corporations headquartered in Illinois, nor by the state's numerous mega-rich, but by working people—both now through regressive forms of taxation and in the future through the rapid growth of the state debt, which now stands at \$20 billion.

Last year, with the support of Democratic legislators, including Naomi Jakobsson of Champaign-Urbana, Blagojevich raided the state employees' pension fund in order to balance the budget and maintain the Democrats' no-new-tax pledge. Illinois Democratic legislators called the action—in which \$2.2 billion in employee pension obligations were diverted to other purposes—a payment "holiday."

Over the last four years, Illinois has experienced budget deficits ranging between \$200 million to nearly \$2 billion. Rather than raising revenues by tapping into the enormous resources of the state's wealthy elite, the Democratic Party-controlled state government has consistently attempted to balance the budget on the backs of working people through spending cuts and ploys such as the diversion of funds from the state employee pension system. Indeed, the move is in line with similar methods now being employed by enormous corporations such as General Motors and United Airlines to trim "legacy

costs," i.e., employee health and pension benefits, by slashing payments or dumping their obligations outright. Such class-war policies will no doubt continue in the next fiscal year.

To wit, in advance of his speech, the governor proposed funding \$500 million in school construction by authorizing the introduction of Keno gambling at bars and restaurants (the bingo-like game allows patrons to wager on closed-circuit television screens). This scheme has been met with such derision across the political spectrum that it appears Blagojevich has backtracked from the idea. Predictably, the Republican Party has not attacked the proposal from any principled standpoint. Instead they argue Blagojevich intends to utilize the program to reward political associates in the Keno industry, and that oversight for new gambling cannot be entrusted to the governor. (The Blagojevich administration is the object of both state and federal investigations into influence-peddling through the doling out of state jobs.)

The possible introduction of further gambling as a revenue source stands testament to the utterly predatory character of state government. Illinois is already host not only to a high sales tax, but to a state lottery and riverboat gambling. Several industrial towns, such as Joliet, have been transformed into gambling centers, with local post offices sold to casino operators. The promises of more money for schools and services in these cities hit hard by factory closures have never materialized.

The introduction of Keno would add yet another regressive tax burden on the state's working class and poor. Such ploys, increasingly common across the US, profit from the economic desperation growing among American workers—desperation brought on by the very policies of both the Democratic and Republican parties.

The governor further proposed a \$1,000 "tuition tax credit" for parents with children in their first or second year of college—so long as those students maintain a "B" grade average. The only practicable way such a scheme could be enforced would be if all of the state's colleges would turn over official academic records to the state, a clear attack on privacy. Moreover, such programs, which are modeled on Bush's "No Child Left Behind," which ties school funding to grade levels, will only undermine education. Teachers, in the process of assigning grades, would be faced with the prospect of gravely damaging the economic standing of working families. In the governor's "report card" proposal, the difference between a B- and a C+ would suddenly become \$1,000!

Like most of the speech, the governor's tuition proposal

is cynical to the marrow. It aims to defuse growing anger among working families and youth toward the entire political establishment resulting from the spiraling cost of higher education. The proposal amounts to only \$90 million, and comes after four years of either spending cuts or virtual freezes on appropriations for higher education. These past spending cuts have already been passed on to students and their families in the form of higher tuition costs.

The governor, who reportedly aspires to national leadership, failed to discuss the state's mounting social crisis, for example, the wiping out of manufacturing jobs or the freefall in Illinois workers' income. (See "Report: Steep decline in Illinois workers' income".)

Significantly, the Illinois governor did not mention the war in Iraq. In 2002, while still a US congressmen from Chicago, Blagojevich joined a number of congressional Democrats in voting to grant Bush unilateral powers to invade Iraq. So far, at least 90 soldiers from Illinois—mostly working class youth—have been killed, and many more have been maimed.

In response to Blagojevich's speech, the state Republican Party resorted to the tired refrain that there is not enough money for social spending, even if the burden of implementation would fall mostly on the backs of working people. Representative Bill Black of Danville, for example, simply stated that "we don't have any money." But neither the Democrats nor Republicans care to answer the question of *why* there is no money. To do so would force an examination of decades of a tax policy designed to benefit the wealthy and bankrupt government programs that assist working people.



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