

New social cuts in California to follow revised budget deficit

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A week after the November election, California's budget deficit projection has been revised sharply upward, and a special legislative session has been called to implement new cuts.

The California Legislative Analyst's Office issued a report November 10 finding that the projected deficit over the next year and a half had increased to \$25.4 billion. This is 25 percent larger than the figure released immediately before the election.

The 26-page report emphasizes the urgency and necessity of cuts in social spending. In language that is familiar to workers around the world confronting austerity measures, the report declares, "The solutions needed to balance the budget will mean unavoidably painful sacrifice by today's Californians."

Governor-elect Jerry Brown, a right-wing Democrat who will replace Republican Arnold Schwarzenegger in January, responded to this announcement by forecasting even further cuts. He remarked, "This will take all the know-how that I said I had and all of the luck of the Irish as I go forward."

The report outlines significant reductions in programs on which millions of people rely. Pensions, public education, public transportation, infrastructure and state health care programs are all in the cross-hairs. Further sharp rises in tuition are also proposed. Tax increases for big business and the rich are not contemplated.

The report attributes the nearly \$6 billion in newly discovered deficit spending to various Enron-style accounting gimmicks in the previous budget. The previous annual state budget, passed a record 100 days into the fiscal year, was replete with phony assumptions, temporary taxes, payment delays and deferrals, and arcane accounting "solutions" that are now expiring and collapsing.

Governments at all levels in the United States more

and more resemble the corporations and banks they serve. The criminal accounting methods state governments presently employ are the same as those of the Wall Street swindlers who have enriched themselves enormously over the recent period.

The release of the report by the state's chief budget analysts a week after the election has all the hallmarks of a staged event, choreographed with the participation of both the Democratic and Republican parties in Sacramento. The report is designed to justify ramming through the most onerous measures in the shortest time possible.

Schwarzenegger said two days later that he will convene an emergency special session of the incoming legislature in early December to address the deficit. "Legislators will have to face the ugly truth that we can only spend the revenues we have," he said. "They know it won't be easy, but they also know they cannot wait to take action."

The previous budget already included major cuts. "There's no more easy stuff to cut," Susan Kennedy, Schwarzenegger's chief of staff, remarked to the *New York Times*. "We are cutting into bone now."

The California gubernatorial election was a contest between two big business candidates, both backed by huge amounts of corporate cash, over who was best qualified to impose drastic cuts and austerity measures. Less than a third of the voting population turned out to vote for either Brown or his competitor, Meg Whitman. Abstention rates were especially high among young people.

Since the elections, Brown, who enjoys the full support of the unions, has made it clear that deep cuts in social spending will be implemented with the participation of both corporate parties. Upon his first

visit to the state capital after the elections, Brown announced, “The big problem is not just getting a majority to approve the budget. It’s dealing with all the cuts that have to be taken into account.”

The new deficit report occasioned another round of universal agreement in the media that drastic cuts must be implemented straight away.

In this regard, the report contains one notable admission. It acknowledges that the scenarios endlessly repeated in the media—that the state will “go bankrupt” or “collapse” if the cuts are not immediately implemented—are not even “remotely likely to occur.”

“History tells us that the state can always patch over its budget problems,” it states. In other words, the breathless urgency with which the budget cuts are being promoted is not owing to any absolute financial necessity. Instead, it is the class policy of the ruling elite the world over to seek to impose the cost of the economic crisis on the working class. In California, as elsewhere, politicians are seizing the opportunity to do so.



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