

Schwarzenegger Threatens Democrats, Escalates Attack on Californians

by Harley Schlanger

In a series of outbursts that one wag called a “steroidal storm,” the Governor of California went on a wild rampage the week of Feb. 7, attacking Democrats who are opposing him as “evil,” and firing his own appointees to the state teachers’ pension board. These latest tantrums are part of a pattern of escalation, as the media-friendly nice guy persona of the Governor is being upstaged by a smirking, angry one. The brutal intention of his regime is emerging, despite his best efforts to deflect that reality with his sculpted smile and his scripted, goof-ball mugging in photo ops at shopping malls.

In his verbal assaults against Democratic elected officials, he made it clear that he will do the dirty work for his controller, George Shultz, who is testing the former Austrian body-builder, to see if he has what it takes to become the American Hitler.

At the Republican state convention in Sacramento on the Feb. 12-13 weekend, Arnold played the bully, describing his confrontation with Democratic state legislators as a “great battle” against “evil.” He accused Democrats who have rejected his agenda of being on “sleeping pills . . . or medication.”

With the swagger of Italian Fascist dictator Benito Mussolini performing before crowds on a balcony, he threatened that the Democrats “can go ahead and do whatever they want. . . . The train has left the station and there [are] three things they can do. One is they can join and then jump on the train. Number two, they can go and stand behind and just wave and be left behind. Or number three, they get in front of the train—and you know what happens then,” i.e., they are crushed.

Arnie’s ‘Four Reforms’

Schwarzenegger intends to back up his threats to run over uncooperative Democratic opponents, by using referendums to bypass the legislative process. Boasting that he will raise at least \$100 million to finance the referendums, he has set up a special fundraising committee to circumvent existing campaign finance rules. Money is pouring in, primarily from those who would benefit from his policies, which include lower taxes on corporations, union-busting, privatization of pensions, and a renewed effort at energy deregulation.

Among those interests, which gave Arnie almost \$27 million in his first year in office, are individuals and corporations involved in financial speculation, banking, real estate, insurance, construction, energy, electronics, entertainment, and

pharmaceuticals. In Arnie’s world, contributors from these sectors—many of whom have already forked over amounts ranging from \$21,200 to more than \$1 million, and have benefitted enormously from his efforts on their behalf—are not “special interests.”

The “special interests” against which Schwarzenegger raves are nurses, who grew angry with him after he reneged on his pledge to reduce the patient-to-nurse-ratio from 6 to 1, to 5 to 1. When nurses demonstrated against him at a recent event, he showed a bit of the old Conan the Barbarian, telling the audience to ignore them, because “they are the special interests. Special interests don’t like me in Sacramento because I kick their butt.” Another way he intends to “kick their butt” is to abolish the Board of Registered Nursing, which will give the hospital industry full control over licensing standards and testing, as well as over investigations of complaints—against the hospitals!

He has also targeted teachers and other educators, who are insisting that he abide by his 2004 pledge to add more than \$2 billion to education spending this year, on condition that they agree to accept no funding increase last year. He reneged on this promise, outrageously insisting that cutting the \$2 billion out of this year’s budget does not constitute a cut in expenditures.

The “four reforms” he intends to place on the ballot in November are the scam to privatize state employee pensions, which will benefit the financial interests funding him, by eventually dismantling the two largest public employee pension funds in the nation, CalPERS and CalSTRS, diverting retirement funds instead into individual 401(k) accounts; slashing education spending by using the gimmick of “merit pay”; redrawing election districts “Tom DeLay-style” to elect more Shultz flunkies to the legislature; and imposing mandatory spending cuts when budgetary expenditures exceed income.

Revolt Brewing

Thanks to his first referendum, which passed in 2004, he added \$15 billion to the state debt, which was borrowed to pay off old debt. The budget submitted by Schwarzenegger for 2005-06 is running a projected deficit of almost \$9 billion. If the referendum he favors for a mandatory spending cap passes, it would necessitate enormous, automatic cuts, leaving legislators no recourse to protect citizens from the effects

of the budget-slashing.

As for his Shultzian plan to steal the state pension funds, the venality of his proposal is generating opposition even from his own appointees. When four of his hand-picked trustees joined with the majority in opposition to his plan to transform CalSTRS, the teachers' retirement fund, into individual 401(k)-style accounts, he fired them. One of those fired, Jim Battey, a financial executive, called Schwarzenegger's plan "a highly flawed piece of legislation—bad for the state, bad for the system, bad for the teachers."

Also fired was Republican Jim Gray, whose comments indicate that there is opposition developing even among Republicans. Gray told the *Sacramento Bee* that he was fired for refusing to accept "marching orders. . . . If you have to be in lock step [with Schwarzenegger], I guess I shouldn't be one of his employees."

Shultz's Fascists

It should come as no surprise to readers of *EIR* that Schwarzenegger would demand absolute loyalty from his appointees, nor that that one, such as Jim Gray, would refer to the pressure on him to conform, so as to be in "lock step" with Arnie. Schwarzenegger was selected by Shultz to be Governor, based on his expectation that the former body builder and action hero would convey an image of strength, to impose discipline on those Republicans who might shrink back from following through on the anti-human, fascist policies favored by Shultz. *EIR* has provided detailed evidence of Shultz's fascist proclivities, and of the hereditary inclination of Schwarzenegger toward fascism.

There are two characteristics which have been shared by those vetted and promoted to high political offices by that old Nazi, George Shultz.

First, they have been either ardent supporters of Shultz's brand of Schachtian fascist economic policies, in which the poor, the elderly, and the disabled are squeezed by vicious austerity to provide an additional margin of loot to Wall Street; or they have proven to be at least willing to follow his orders to implement such policies. Second, they have used the technique of the "big lie"—as did Hitler, under Goebbels' direction—to push through the "structural reforms" which have driven the global financial system to the brink of a catastrophic collapse.

Among those whom Shultz served as a would-be Hjalmar Schacht (the London-Wall Street-backed banker who designed Hitler's economic policies) have been Richard Nixon, who took Shultz's orders to dismantle FDR's successful post-war Bretton Woods world monetary system; Gen. Augusto Pinochet, who offered his dictatorship in Chile as a laboratory for Shultz's "Chicago Boys," allowing bankers to steal that nation's pension funds, under the watchful eye of Pinochet's



Governor Schwarzenegger at his budget press conference in Sacramento on Jan. 10. He has now gone on a rampage against any and all opponents of his brutal austerity policies.

stormtroopers; and the pathetic George W. Bush, selected by Shultz to be a President who would willingly take the nation to war based on lies, and steal Social Security, again based on lies, in order to prop up the post-Bretton Woods system, which has been bankrupted by Shultz's lunatic axioms of free trade, post-industrial policies.

The fourth among these Shultz protégés may turn out to be the most dangerous. Arnold Schwarzenegger, who was propelled into the office of governor in a coup—the recall election against former Gov. Gray Davis—gives Shultz a front-man with two additional unique qualifications to play Hitler to his Schacht.

First, unlike Bush, who has trouble getting through his lines, Schwarzenegger has used his limited acting skills and his celebrity status to develop a persona that has gained popular support for his efforts to wreck California.

Second, and most important, he is demonstrating that he "has the stomach," to use the words of a top Republican political operative, to trample on the hopes and dreams of millions of Californians, ripping up the social safety net, dismantling health care, human services, and education, and tearing down infrastructure, all the while mugging for the cameras, imitating the fictional action figures he played as a second-rate actor.

Schwarzenegger's recent belligerent antics demonstrate his willingness to be Shultz's Hitler—who was, by his own admission, a hero to Arnold, when he was still seeking fame, fortune, and power. A teacher in the Sacramento school system had the guts to tell the *Sacramento Bee* what a growing number of Californians is beginning to think of their Governor: "I think it's fascism," said Donna Baca, referring to Schwarzenegger's firing of pension trustees who opposed him.

It will take many more displays of such courage to stop Shultz's "new Hitler."