

Schwarzenegger Submits Killer California Budget

by Harley Schlanger

Before the text has been parsed or the numbers crunched, it is clear that the budget submitted by Arnold Schwarzenegger to the California legislature on Jan. 10 will increase the death rate among the poor, the elderly, and the disabled in the state.

The Governor himself acknowledged that this would be the case, in his State of the State address the previous week, when he spoke about his upcoming budget. "I am well aware there are lives behind those numbers. But I have a responsibility for the fiscal health of this state and for the honesty of its finances," he said, summoning all his Hollywood acting skills to appear both sympathetic toward those who will be tossed onto the human scrap heap, and also resolute in the view of his backers.

Following his speech presenting the budget, he continued with a softer tone, saying he is not happy with what he has done. Yet, in a formulation that would make a sophist blush, Arnie argued that the budget cuts are not really "cuts," as the total spending is up! I "would like to spend more," he argued, "but that's all the revenue we have and we must be fiscally responsible."

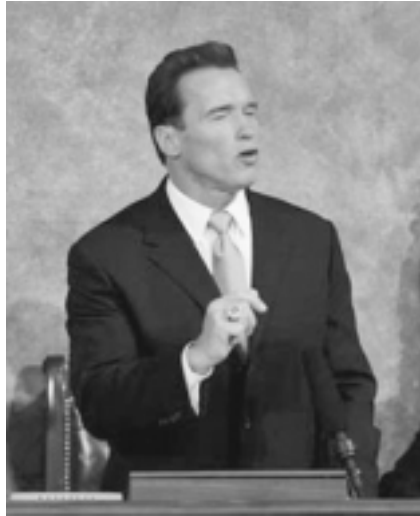
Thus, increases promised to health care and social services, education, and improvements in transportation, are cut out of the budget, while Arnie, under the direction of that old fascist George Shultz, says that these are not really cuts, just restraint against "spending more money than the state takes in."

'Fiscally Responsible' Fascism

This is a fraud. While the Governor acts as though he is doing nothing more than achieving a balanced budget, he is actually using the budget crisis to transform what state government does.

When he says "fiscal responsibility," he means what is good for the special interests he represents. He has no problem terminating, slicing, and dicing social welfare and medical programs which aid the elderly, the poor, and the disabled, nor reducing funding for education and teachers, nor taking funds targeted for improving transportation and diverting it into the general fund.

Schwarzenegger argues that "fiscal responsibility" is essential to create a healthy business environment in the state. By this, he means massive reduction in taxes on business; low wages, as the businesses he is attracting are heavily weighted



The Governor, giving his State of the State speech on Jan. 5. His sophist rhetoric about "fiscal responsibility" is a cover for his protection of the special interests he represents.

toward the service sector, not manufacturing; and reduced benefits, as in last year's battle over workers' compensation, which he won through a referendum on the ballot.

Those who oppose this agenda, such as unionized workers—especially teachers and health-care workers—he attacks as "special interests," which he blames for the "out-of-control" cost to the state to maintain their existing levels of wages and benefits. He insists that, if only these "special interests" can be brought under control, his plan to balance the budget will succeed, and new businesses will race to get into the state.

This is just another fraud, as the businesses he will "attract" with this program are precisely those which have benefitted from the post-industrial society which has grown out of the ruins of this formerly industrialized state, and which produce less wealth—both for employers and employees—than the industries and firms they replaced.

Schwarzenegger, however, is richly supported by these real special interests—banking and finance, real estate speculators (he made a fortune investing his earnings from the freaks he played in the movies, in land and real estate purchases prior to the gigantic bubble of the last decade), for-profit health care such as HMOs, insurance, and pharmaceutical companies, and the low-wage entertainment sector.

These corporations have pledged to provide Arnie with a pool of \$20-30 million to push through ballot referenda, should the Democratic-controlled legislature resist his fascist restructuring. A new private, nonprofit group, Citizens To Save California, which is a coalition of Schwarzenegger-friendly business and corporate interests, has hired Rich Claussen to run a campaign to convince voters that Arnie's policies are good for them.

Claussen was the co-producer of the "Harry and Louise" ads run by HMOs and the insurance industry to poison the debate over health care launched by President Clinton, which ultimately defeated his efforts. A similar campaign of lies can be expected in support of the Shultz agenda for California.