

California Budget

Schwarzenegger Wields the Axe; Insane Legislators Accept Deeper Cuts

by Harley Schlanger

Oct. 9—A definition of insanity, attributed to Albert Einstein, is doing the same thing, over and over again, and expecting different results. By this definition, the Governor of California, and members of the state legislature, are insane!

The budget deal passed on Oct. 8, a full 100 days into the fiscal year, is another example of why the state is careening into ungovernability. Even before the ink was dry on the deal, Gov. Arnie Schwarzenegger broke it, by using his line-item veto power to cut almost \$1 billion more in spending, slashing areas which the Democrats thought had been protected by the agreement!

Sound familiar? This is not the first time the Governor has broken a deal made with Democratic Party leaders. Only this time, in his final budget as Governor (a successor will be elected on Nov. 2), Schwarzenegger brought the budget axe down, harder than ever, on the necks of the state's most vulnerable citizens, demonstrating, once again, that no deal made with this son-of-a-Nazi can be trusted.

Further, he made good on his pledge to those who put him in as Governor—from George Shultz, the economic hit-man who, in 1971, ended the Bretton Woods system, to Lord Jacob Rothschild, who runs the supranational Inter-Apha Group of banks—that he would destroy the faith of the people in government. Shortly after being sworn in, in November 2003, he told the editorial board of the *Sacramento Bee* that, as Governor, he intended to “starve the

Beast.” And the Beast, he told them, is government!

He has now made good on that promise, going even one step further, which is also to his controllers' liking: In addition to starving the “Beast,” his policies may lead to the starvation of poor children, whose families will be cut off from any form of public assistance.

A Fake Budget

Before Arnie's line-item veto, the budget, which was \$87.5 billion, supposedly closed a deficit of over \$19 billion. To achieve this, Schwarzenegger, with full agreement from compliant legislators, agreed to push the bulk of the deficit into next year, a stale accounting gimmick which he has employed virtually every year. For example, \$2 billion in mandated payments this year



Gov. Arnold Schwarzenegger briefs the press on his plans to slash California's budget, Sept. 1, 2010. By the time a budget deal was reached on Oct. 8, some \$20 billion was cut, including in vital programs to the state's neediest citizens. The legislature is “going along to get along.”

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to public schools and community colleges, was postponed into the following year. This means that the next fiscal year, which does not begin until July 1, 2011, is already in deficit!

Further, this year's budget relies on what the leaders of both parties admit are "optimistic revenue assumptions." It should be noted that those who provided these assumptions have been forecasting a "strong economic recovery" for California for each of the last five years. Each year, they have been dead wrong. Thus, this year's \$19 billion deficit will not be fully covered, pushing an even larger deficit into the next fiscal year. Even more absurd, is the claim that this year's deficit will be closed, at least on paper, due to expectations of billions in further assistance from the Federal government, a highly unlikely scenario, as long as Nero Obama remains in the White House.

In addition, the state will sell off buildings, then lease them back, at marginal savings. Perhaps if eBay's former CEO, Meg Whitman, who is the Republican candidate for Governor to replace Arnie, is elected, she can put the whole state up for sale on eBay!

As for cuts, the annual threat from the Governor to dismantle what remains of the state's deeply damaged social welfare net was postponed, initially, but there were "smaller" cuts written into the budget, such as reducing pay in essential services like the state's in-home care program, which will hit the state's most vulnerable people. There have been similar cuts in each of the last several budgets, as Schwarzenegger used an identical strategy: first, threaten to completely dismantle all protection of the poor, the sick, and the elderly; second, after gaining some concessions from Democrats, modify the cuts; and third, use the line-item veto to make bigger cuts, leaving the Democrats in an impotent position, falling into the trap he set for them.

This year, it should have been clear that he would go in for the kill, especially as he has felt empowered by the state's Supreme Court ruling earlier this week, which upheld his right to cut state employees' wages by over 13%, through his mandatory unpaid three-days-per-month furlough program, bypassing approval by the legislature.

Once again, the Democratic leaders of the legislature were "tricked" into being Arnie's co-conspirators, in his zeal to "starve the Beast." Or, perhaps, they weren't really tricked: Perhaps the Democrats, at least some of them, have been fully witting, from the beginning. Do not forget that Arnie's marriage to Maria

Shriver established his bona fides with the Kennedy family, and he now works closely with such Shultz-allied Wall Street Democrats as banker Felix "the Fixer" Rohatyn!

Arnie's Last-Minute Killer Plans

Wielding his line-item veto, Schwarzenegger went after CalWorks, the program designed to move unemployed people from welfare to work. This has helped many single parents to find jobs, through aid from the state. Arnie cut \$366 million from this program, which will leave these parents with no ability to work, as their children will have no programs available to them while the parent is working. This was made worse by his cut of \$256 million in subsidized childcare. Together, these cuts will hit these poor families hard, from after-school programs, to health care.

It has been clear, from the moment of his swearing in, that Schwarzenegger was, at best, an over-the-top buffoon, whose buffoonery was supposed to hide the intent of his Wall Street controllers, to use him to dismantle state government, and kill off "useless eaters." But how can legislative leaders of both parties, who are aware of the collapse of state revenue resulting from the shutdown of physical production in the state, justify their willingness to "go along to get along" with this fascist?

They cannot. Instead of facing the reality of the global financial breakdown crisis, which has led to the rapid and thorough dismantling of California's highly developed industrial-agricultural economy, and fighting for a change in national economic policy—beginning with the drive to remove President Obama, using the 25th Amendment—California's so-called leaders have turned their backs on the collapse of city and county government, on the growing army of unemployed, on the families which have lost their homes and health care, on the seniors left with little income and no protection, on state employees whose current income has been slashed, and whose pension plans will be severely cut. In return, the best they can offer is a promise that the economy will improve, at some bright shining moment in the future.

The legislature, under the direction of that one-time admirer of Adolf Hitler, Arnold Schwarzenegger, has proven, with the latest budget debacle, to have learned nothing from the last seven years of abject failure. It is scientifically accurate, therefore, to call them collectively insane!