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Opinion

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The shame of pro-tax big business

Republicans can't count on disloyal corporate California in budget fight



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Pity the plight of corporate California. Dismayed at the stranglehold anti-business liberals have on the state government, two leading business organizations – the California Chamber of Commerce and the California Business Roundtable – in-

tend to qualify a ballot initiative to create a nonpartisan runoff election system modeled on the one used by that hotbed of progressivism and good government, Louisiana. They believe this scheme will increase the number of moderate legislators who will be more sympathetic to their concerns.

Normally, my instinct is to support the business community against liberal politicians who poison the economic environment against growth and job creation. But normally, the business community wouldn't pay to elect the liberal politicians who see them as revenue cows to be milked.

After Gray Davis became governor, the corporate community threw its collective spine out the window and poured millions into Democratic coffers, helping Davis amass the \$70 million war chest that bought him a second term.

The protection money worked – until the energy and budget crises so damaged Davis' re-election prospects that he sold his soul to the

left and began signing anti-business bills as quickly as the liberal-controlled Legislature could put them on his desk.

Business leaders shouldn't have been surprised: when the chips are down, Democrats will always favor the interests of unions, trial lawyers and environmentalists over those of business.

Now, I salute Davis for proposing \$10 billion in spending cuts. But let's get real – Burton, Wesson and Co. are constitutionally incapable of reducing the deficit without raising taxes, and Davis is too weak to stand in the way.

As usual, that leaves the Republicans as the only thing standing between big business and a fat tax hike. Given the corporate community's habit of deserting the GOP when the going gets rough, why should Republicans defend them?

Am I suggesting Republican legislators stand by and let the Democrats heap new taxes on California businesses? Absolutely not.

But at the same time, corporate California needs to wake up and realize the Democrats are not their friends. Even the so-called business Democrats will abandon you if it is a choice between the interests of business and the interests of core Democratic constituencies like unions, public employees, environmentalists and trial attorneys.

It is Republicans who have interposed themselves to protect the state's job-creators from the Democratic taxers and regulators in Sacramento. For example, for

years Democrats have tried to sidestep Prop. 13 and impose a split-roll property tax system that allows increasing taxes on businesses without a vote of the people. It is Republican opposition – not campaign contributions to Democrats – which has stymied those efforts. But why should Republicans bother if the business community continues to self-destructively aid its enemies?

That very thought may cross the minds of squishier GOP legislators: the Democrats will turn to in search of the extra votes needed to pass a tax hike. While I would personally lead a recall effort against any Republican who succumbs, much of the blame for sapping the will of such weak sisters would fall on corporate California.

If, God forbid, the Democrats succeed in ramming through a tax increase, I agree with the Howard Jarvis Taxpayers Association: If the parts of the business community which receive tax preferences and subsidies are going to support more taxes, let the taxes fall on them.

Perhaps then the scales will fall from the eyes of big business, and its leaders will at last commit themselves to the long, arduous task of electing legislators who believe in lower taxes and less regulation as the surest path to job creation and economic opportunity – and to defeating Democrats who will always serve the interests of unions, public employees, trial lawyers and environmental extremists.