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In California, a fight to the finish

Schwarzenegger must out-muscle the state's unions

By Shawn Steel

efore marching on the capital of the Aztec empire in 1519, Spanish conquistador Hernan Cortes burned his ships, cutting off the possibility of retreat and ensuring his tiny army would either

prevail or perish. It's no great exaggeration to say Gov. Arnold Schwarzenegger faces a similar situation. For most of his brief governorship, he has been locked in mortal combat with the powerful public-employee unions over the direction of state government — a conflict that has increased in intensity as the November special election.

approached.

Finally, in mid-September, Mr. Schwarzenegger figuratively burned his ships by endorsing Proposition 75, the paycheck-protection initiative that would forcethe government-employee unions to obtain prior permission from members before spending dues money for political purposes. A few days prior, he announced his intention to seek re-election next year - something he could easily have delayed until after the special election. Around the same time, three of his top advisers took leaves to take the reins of the governor's disjointed campaign apparatus.

During the last several months, as the public-employee unions hammered the Governator with tens of millions of dollars in attack ads, a sinking feeling was taking hold among Schwarzenegger supporters that the unions were the only ones who understood the governor was in a fight to the finish.

Mr. Schwarzenegger's latest moves have erased that doubt. The governor clearly understands he has crossed the Rubicon, and has no option but to decisively settle the question of who governs California: the taxpaying middle and entrepreneurial classes, or their nominal servants in state and local governmentemployee unions.

In hindsight, that has been the issue at the heart of the political upheaval that began with the Gray Davis recall and Mr. Schwarzenegger's election, and continues with the November special election and next year's

general election.

The stakes in November are enormous for both sides. If voters reject his reform package, Mr. Schwarzenegger is weakened going into 2006, when he grapples again with the unions and the Democrat legislature over the chronic budget deficit while running for re-election.

On the other hand, voter approval of Mr. Schwarzenegger's

reform package entails dire consequences for the Democrat/public employee axis, because Propositions 75 and 77 pose a very real threat to their suzerainty over state government.

Democratic politicians freely admit that requiring public-employee unions to obtain prior permission before spending members' dues for political purposes is a "dagger aimed at the heart" of their party. Furthermore, by replacing the current gerrymandered legislative districts with fair and balanced lines drawn by a panel of retired judges — as happened after the 1990 census — Proposition 77 will likely result in a much more moderate legislature than our current one — whose leadership is to the left of the old Soviet Politburo.

Thus, Mr. Schwarzenegger would enter the 2006 elections and budget negotiations armed with a bona fide voter mandate for change and the prospect of a legislature more amenable to the governor's structural reforms.

While it's refreshing to hear Democratic politicians admit they utterly depend on involuntary political contributions from government employees, their fears are nonetheless well founded. Passage of either one of these initiatives is bad news for them — passage of both is a

Only a handful of California 80 Assembly districts and 40 Senate districts are competitive, allowing public-employee unions to concentrate their general-election campaign spending in just a few districts. Prop 77 would vastly increase the number of districts in play for 2006 elections and force the public-employee unions to cover far more campaigns with the same prodigious but finite war chests.

At the same time, Prop 75 is bound to reduce their war chest. As a result, public-employee unions will have less money to spend on more campaigns. This simultaneously dilutes their influence while constricting a primary source of Democratic cam-

paign finances.

The unions realized for months that this election is for all the marbles. By announcing for reelection and endorsing paycheck protection in the space of a few days, Mr. Schwarzenegger signaled that he too realizes the special election is not just another campaign, but a case of "come back with your shield, or on it."

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