THE BUSINESS PERSPECTIVE:

A Referendum on our Future

TUESDAY | June 14, 2005

Just when we thought it was safe to put away our political campaign checkbooks, Gov. Schwarzenegger formally called a special election for Nov. 8 of this year. He says that there is no other way to get his reforms passed.

I agree.

But even more than that, it is essential that California's voters focus on these issues now, in advance of next year's elections. Only in this way can we be assured that we will focus on the issues and decide the future directions our state will take.

Looking at the Legislature's reluctance to support these reforms--but at the same time their rush to pass legislation banning cigar smoking outside the capitol--the governor might be right.

Schwarzenegger's opponents have attacked his call for a special election and pointed to the cost of the election at a time when the state is trying to cut spending. While the price tag is nothing to take lightly while the state is in debt, we have no other choice.

If we wait until next year, not only will we delay making the decisions we need to make now, but the issues will become confused with candidates for statewide and local offices and dilute the voters' focus on the issues.

His call for the election provides for the following issues to be decided:

- Preventing the state from spending more than it takes in;
- Reducing the undue influence of the state's public employee unions;
- Making it easier to fire teachers who should not be teaching our kids;
- Rewarding teachers who are a credit to their profession; and
- Increasing the number of competitive seats in Congress and the legislature.

It should come as no surprise that the business community is behind Schwarzenegger's initiatives following our next board meeting on July 14.

By calling a special election, Gov. Schwarzenegger is taking a large risk. If his reforms do not pass, his influence on public policy in California will be greatly diminished, and business will have lost one of its few true allies in Sacramento.

Unfortunately, Schwarzenegger's initiatives won't be the only items on the ballot, as dozens of others are in circulation and the legislature can always add their own. So far, we know that the following initiatives are likely to qualify for either the Nov. 8 or June 2006 ballots:

- Ending Prop. 13 protections for commercial property;
- Re-regulating the electricity industry;
- Annually adjusting the state's minimum wage based on the CPI;
- Requiring shareholder approval of all corporate campaign contributions;
- Regulation of fuel costs;
- Expose drug companies to more lawsuits (and higher consumer costs) under the guise of a discount drug program; and
- Further regulating teen pregnancies.

Nov. 8 is a pivotal election that really serves as a referendum on our state's future.

Is California going to make fundamental reforms that will bring balance back to public policy, so that no special interest group or political party controls our future--or will we continue to be a state controlled by the extreme elements of the political spectrum?

Only time--and California's voters--will tell.

And that's the Business Perspective.

Clarification: Last week's Business Perspective should have referred...
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