

Arnie's First Acts Show Cheney/Shultz Ownership

by EIR Staff

California's newly-elected Hitler, Arnold Schwarzenegger, has made it immediately clear that his Recall election was a project of Vice President Dick Cheney's, Warren Buffett's, and Bush Administration power broker George Shultz's electricity-merchant conglomerates—who bankrupted the state with deregulation in 2000-2002, then blamed the bankruptcy on Gov. Gray Davis to force Schwarzenegger's seizure of power. Schwarzenegger told an Oct. 11 press conference that he would introduce legislation to complete the deregulation of electricity—transmission as well as generation—as one of his most urgent priorities. Lyndon LaRouche's California campaign had exposed that this step was planned at a May 2001 meeting Schwarzenegger had with Enron's disgraced chief thief, Kenneth Lay, and other electricity speculators—a meeting the “Beast-Man” denied and then “couldn't recall” during the campaign. But on election, Schwarzenegger immediately posted a “Ken Lay's dream” energy plan on his website, promising to stop public financing of needed new power plants, and eliminate any public oversight over future California energy supply contracts. In the same few days, Schwarzenegger ordered both the California trade unions, and the state legislature to accept drastic cuts in spending and living standards; and he has appeared to trigger a strike wave which has spread quickly among both public and private employee unions in southern California since his election.

While Presidential candidate LaRouche, now in Europe, has continued to organize an international alert against the fascist threat of “another imported Austrian head of state,” the Cheney-led neo-conservatives in the United States are already pushing the new-Hitler Schwarzenegger for President. Press Lord Conrad Black's right-wing Hudson Institute, and Rupert Murdoch's *Weekly Standard* have started invoking the 1912 “Bull Moose” candidacy of Theodore Roosevelt, for Schwarzenegger; the *Weekly Standard*'s Oct. 14 issue raised the demand, “Remove the constitutional requirement that an American President must be native-born.” Republican Sen. Orrin Hatch of Utah at the same time floated a proposed constitutional amendment to do so; the *Washington Post* backed the outrageous move.

The LaRouche Youth Factor in California

But LaRouche had vowed on Oct. 9 to make the imposition of Schwarzenegger on California a “Pyrrhic victory” for Cheney and Shultz; it is swinging Democratic activists and leaders to LaRouche for his effective mobilization in Califor-

nia, and helping his drive to get Cheney ousted from the Bush Administration. The “on the ground” story of the Recall, is the message to Democrats in California and nationally that an extraordinary mobilization by the LaRouche Youth Movement (LYM) in the Los Angeles area, turned a foregone-conclusion 60-40% vote to recall Governor Davis in Los Angeles County, into a final 51-49% defeat of the Recall (see story, page 70). A similar LYM mobilization in San Francisco and Oakland made an already anti-Recall public sentiment into an 80-20% landslide there. The dramatic activation of both college students and trade unions in the Los Angeles area by the LYM was key in this victory. The state's press and the national media largely ignored what the LYM was doing with hundreds of thousands of LaRouche's *Who Robbed California?* pamphlets and “Beast-Man” leaflets, but they did it anyway, making these victories a clear proof of the power of ideas in a crisis, against the media-manipulated rage of a population buffeted by economic collapse.

Los Angeles County Democratic Party Chairman Eric Bauman told an Oct. 13 meeting of the Party organization that his report “might shock you, but the people who did the best work for us were with the LaRouche Youth Movement.” He referenced some details of the way the LYM mobilized, and concluded—to general applause from the Democrats present—that given the Party's limitations there, “the LaRouche movement was crucial for the battle in L.A. County.”

The waves of that “shock” to the Party at the success of LaRouche's personal mobilization in California against the Recall, are spreading beyond the state. The candidate said on Oct. 15—when new Federal Election Commission filings showed him still second among all Democratic candidates in number of contributors—that President Bush's personal trip out to embrace the new Hitler of California might help make LaRouche the next President.

Figures of the Democratic Party's national leadership including former President Bill Clinton, and LaRouche's rivals for the Presidential nomination, made cameo appearances at Governor Davis' side, but never engaged in the Recall battle. And through Democratic National Committee Chairman Terry McAuliffe, Al Gore and others, they conveyed pressure on Davis *not* to attack the Cheney cabal and *not* to discuss the national economy collapse. In effect, the Democratic leadership other than LaRouche helped Cheney, Shultz, and Buffett unleash a new “Hitler project” on California, and the nation.

It was LaRouche who first identified the Recall, and the Schwarzenegger candidacy it spawned, as a “dirty coup” run by Halliburton's Cheney, in collaboration with his piratical brothers-in-greed-and-looting, such as Bechtel's Shultz, and multi-billionaire energy and stock speculator Buffett, to re-open California to further theft by the energy cartels, of which Buffett controls important parts. Cartels like Enron, backed by Cheney through the White House Energy Task Force, stole more than \$70 billion through illegally jacked-up prices of energy-supply contracts made possible by deregulation of electricity. This triggered a process of devolution to state



President Bush journeyed to Riverside, California Oct. 16 to associate himself with the Republican Party's charismatic new Hitler, Governor-elect Arnold Schwarzenegger. Republican neo-conservatives of Dick Cheney's and George Shultz's faction have created this national fascist project for the party in 2004; but it may actually hasten Cheney's urgent ouster from power.

bankruptcy, a \$38.2 billion hole in the budget which was then blamed on incumbent Governor Davis.

And LaRouche had insisted that if the Schwarzenegger "beast-man" project of these cartels succeeded, they would use Schwarzenegger to loot the state's economy of many billions more—as confirmed in spades by Arnold's immediate announcement for total energy deregulation—even as the Cheney Republicans nationally used their new "beast-man" to shape a national fascist thrust for the 2004 election.

Open Door for Looters

In addition to his push for deregulation, Schwarzenegger made it clear that he will proceed with Wall Street's plan to loot every last penny which can be found in California. His transition team—minus a couple of token Democrats like Oakland mayor Willie Brown, who acknowledge they will have little say in his Administration—consists of a "Who's Who" of academic free-trade fanatics, and Chamber of Commerce Babbitts, who are enthusing about how Arnold will "restore a pro-business climate" in the state, by "cutting the fat out of the budget," and breaking the back of the labor movement.

The transition team is headed by George Shultz of Bechtel, the Hoover Institution, and the University of Chicago. Shultz, along with Cheney, was responsible, during the 2000 election year, for recruiting into the Bush transition team and the current Bush Administration, the "Vulcans," that gang of Straussian liars who gave us the Iraq debacle and the ongoing economic destruction of the American job market and labor force. Schwarzenegger campaign chairman,

now transition team organizer Rep. David Dreier (R-Calif.) is principally a representative of the leading West Coast institution tied to fascist philosopher Leo Strauss, the Claremont College/Claremont Institute complex. Dreier was a principal sponsor of NAFTA and wants similar "total free trade" deals to cover the entire globe. Transition team member Eloise Anderson is also from the Claremont Institute. Others on the team are associated with the ultra-free trade, ultra-right wing Mont Pelerin Society; or, like Hollywood mogul Ivan Reitman who produced Schwarzenegger films, they represent the casino/entertainment interests of Las Vegas and Los Angeles which poured millions into Schwarzenegger's Recall campaign through the Warren Buffett-owned National City Bank. Kathleen Shanahan, who worked for Cheney, is considered the front-runner to be Schwarzenegger's chief of staff.

Another key player emerging is "budget specialist" Donna Arduin, on loan by Florida Gov. Jeb Bush, to find the "fat" in the budget. Arduin is properly credited with wrecking Florida's education system. Morgan Stanley investment banker Arduin has been in the state budget-slashing business for Michigan Gov. John Engler, New York's George Pataki, and Florida's Jeb Bush. Under Jeb Bush, Arduin pushed mindless extreme cuts in state education funding, driving class sizes up towards 40 students. Her mayhem led to a Florida constitutional amendment imposing an upper limit on public school class sizes. Schwarzenegger has hired her to do a line-by-line budget investigation in preparation for drastic cuts.

With the "beast-man" coming in, management in California has become bolder in attacking unions, which Schwarzenegger blasted as a "special interest" during his campaign. There is a strike wave hitting Los Angeles, with 70,000 grocery-store workers, and 2,500 members of the Transit Union on strike, protesting efforts to slash their health-care and pension benefits.

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