

May 12, 2005 - Interview with CA Treasurer Phil Angelides

Basie Blog

This morning I had the distinct opportunity to speak with Phil Angelides, a leading contender for the California Democratic gubernatorial nomination for 2006. A native Californian of Greek descent, Phil Angelides first became interested in politics as a student at Harvard during the 1972 Presidential election. He worked in California state government from 1975 to 1983, at which point he moved into the private sector and became a highly successful businessman. In 1991, Angelides became the Chair of the California Democratic Party and in 1998 was elected California State Treasurer, a position he still holds today.

Jonathan Singer: There's a cover story in the Washington Monthly by Mark Barabak called "Is Arnold Losing It?" Barabak's contention is that Arnold Schwarzenegger is a lot less of a Ronald Reagan figure and a lot more of a Jesse Ventura – cheap gimmicks that work early but peter off later. What do you think of that contention?

Phil Angelides: I actually saw the article. In fact, Paul Glastris, the editor of the Washington Monthly, was out recently and gave me a copy of it. I would say the following: if you really look at Arnold, he is increasingly a mix of George Bush and Jesse Ventura. He shares the same agenda as Bush in so many respects, but is beginning to look more and more like Jesse Ventura in the conduct of the office.

Arnold has always tried to pose himself as a different kind of a Republican. He learned to talk the language of moderation like Bush learned to talk the language of compassionate conservatism back in 2000.

But when you look at what Schwarzenegger has done as Governor versus what he's said, he has had a down the line Republican economic agenda. He's borrowed massively against our future after promising to tear up the credit card. By next year, the state of California will pay more to retire its deficit borrowing in that year alone than it spends on the entire University of California system. So he's borrowed massively, which is going to constrain the ability to invest in things that count, like schools and transit and good jobs for our people.

He came in the recall saying he would protect education, but, like Bush who has promised to leave no child behind, he is now proposing to \$15,000 out of every classroom and became the first Governor in 40 years to break the covenant with the young people of this state that said if they did their work, if they made their grades, they'd have a place at our state colleges and universities. Last year he proposed to turn away 25,000 young people who are fully eligible and fully qualified. He proposed to turn them away from our state colleges and universities in the richest state in the wealthiest nation in human history.

If you look at Schwarzenegger's policies, they are very Bush-like: vetoing the minimum wage, siding with the Chamber of Commerce against working people at every turn. So he's very much like George Bush, but he increasingly has the carnival barker aspects of Jesse Ventura.

Singer: Expanding on the budget issue, another way he is like President Bush is, like you said, running large deficits—

Angelides: Deliberately so.

Singer: When he was running for Governor, he said no more of these magic tricks. We're going to deal with the deficit. But in fact as you've said, the deficit has increased and the debt problem has increased, and you certainly know about this intimately as State Treasurer. What real steps can be taken in the next four years, from 2007 to 2011, to fix the problem?

Angelides: Let me just expound on this a little. I believe President Bush is running deficits in Washington very deliberately. His plan is to finally run up so much debt that it inevitably creates pressure on the funding of things that count, in terms of the long-term strength of the society: educating kids, retirement security for American families. A mini version of that is going on in Sacramento.

When Arnold Schwarzenegger became Governor, the state had already piled up about \$18.5 billion in what I'd call "credit card debt," which is borrowing to cover deficit. And by the way, those were borrowings I opposed as Treasurer. It's fine to borrow money to build schools and to expand universities and build mass transit systems for the 21st century. It's not good to use your borrowing to live beyond your means and send the bill to the kids.

So he runs on the platform of ripping up the credit card, and what does he do when he gets into office? He accelerates the borrowing. With the budget he signed last year and the budget he's proposed this year, the state's credit card debt will rise to \$30 billion, which is about a 67% increase from the day he took office. By next year, the state will have to pay \$4 billion, next year alone, to pay that debt – which is more than we spend on the entire University of California system.

What's clear is you're never going to balance the budget by continuing to borrow and pile debts onto our kids and future generations. The only way to balance the budget is to do it fairly.

Now this Governor is willing to borrow against the kids. He's proposed \$1 billion worth of tax and fee increases that hit working Californians, students, the elderly and the poor. Big increases in Community College fees, tuition increases at the state colleges and universities. In fact I'm on my way to San Jose right now. I'm doing a press conference because the Governor has proposed to raise \$100 million by stripping away property tax relief from the elderly, the blind and disabled who make less than \$37,000 a year.

In the end, the budget can only be balanced with fairness. As Governor, I would move to close some of the 55 corporate tax loopholes that have been punched in our tax code in the last ten years. I would ask the wealthiest Californians – those making over \$280,000 a year – to pay at least the same taxes they paid under Governor Wilson and Governor Reagan. And if we have some fairness, we have a chance of balancing this budget in a way that makes sense for Californians.

Singer: Moving to another issue, there is a new Pew poll that came out this week of national voters. It said one of the few issues that truly cuts across the partisan divide in America is immigration. The Governor has taken a new tack on immigration, becoming very supportive of the Minutemen project. Some skeptics say that this is more tied to his 40% approval in the SurveyUSA and Public Policy Institute of California polls—

Angelides: Sure. The last refuge of a politician with sinking poll numbers is to attack people of color and to try to divide people over issues of emotional content.

Singer: But there are issues with immigration and the burgeoning population in this state. What type of steps would you take to curtail the problems that a lot of people do see?

Angelides: Look. This is a serious issue. And it is an issue of significance that affects all Californians. But let's be clear about what the Governor is doing. The Governor is not seriously addressing this issue. If he was serious about addressing the issue, he wouldn't have gone on the Ken & John radio talk show – which is a right wing talk show in Southern California – to applaud the Minutemen, he would have his job as Governor.

He went last fall to Ohio and stood right next to George Bush and helped him win reelection. If he was serious about trying to deal with the illegal immigration in California, which is a serious issue, he wouldn't have called Ken & John on their right wing radio talk show, he would have called George Bush and Dick Cheney in the White House.

There are things that a Governor could do to push the federal government to live up to its responsibilities on border control, because after all this is a federal responsibility. I'll give you a couple of examples.

The state of California will spend this year \$750 million to incarcerate undocumented persons – undocumented aliens who are in this state who have committed crimes. That is a federal responsibility, and the federal government is going to completely stiff the state of California this year. President Bush is zeroing out in his budget any reimbursement for the state of California for that \$750 million in costs.

In the wake of 9/11, the President signed the intelligence reform bill that authorized 2,000 new border patrol agents per year. In this year's budget, the President is funding only 210 border patrol agents.

Much of the illegal immigration problem stems from the fact that too many employers hire undocumented persons. And while we have thousands of border patrol agents, there's only 125 federal employees inspecting work places for illegal hiring of undocumented immigrants.

What the Governor ought to be doing is going to Washington, getting with President Bush and asking him to make sure the federal government does its job to enforce border control and enforce federal laws against the hiring of undocumented immigrants. So there are a Governor can do if they're serious about addressing the issue versus just trying to prop up falling poll numbers.

Singer: Just a couple of more questions.

Angelides: Sure.

Singer: Another issue that really deals with the balance between federal and state government is energy. There's a new documentary out—

Angelides: Yeah. I saw it.

Singer: It's called Enron: The Smartest Guys in the Room.

Angelides: Have you seen it, by the way?

Singer: Yeah. I got to see it, luckily. It really lays out a case that the system is completely broken. And the scariest part of it is that it can happen again. What moves would you take as Governor to ensure that it in fact would not happen again?

Angelides: First of all, let just say that when the energy crisis hit California, I was the lone statewide elected official who urged the state to take forceful action from day one to stand up to the energy pirates. I believe from day one we should have moved in and, if necessary, taken over the power plants that were being manipulated to gouge energy consumers in California. I also called for the establishment of a public power authority so the state could control enough of its own energy resources so it would never be subject to energy privateering again.

Of course, when I was doing all that, as the documentary notes, Arnold Schwarzenegger was meeting with Ken Lay and Dick Riordan and Michael Milken in Los Angeles to strategize about how to preserve deregulation.

For decades here, we had a marketplace that protected consumers. When the energy crisis came along, all you need to do is look at the price of electricity before and after, and what you're struck by is this incredible peak in prices that robbed Californians of \$30 billion in a short period of time. In less than a year, California ratepayers were robbed of \$30 billion that went into the hands of these energy pirates.

As Governor of the state of California, I would make sure that we would have a regulatory system that would protect businesses and homeowners against that kind of gouging.

Since he's come into office, Governor Schwarzenegger hasn't done one thing to shore up California's protection against that type of manipulation. In fact the only thing he's done in the energy field is he blue penciled – or eliminated – all of the funding for the California Power Authority that was created by legislation that I sponsored, the authority that was designed to allow the state to begin to build enough energy resources so we could counter a manipulation.

Singer: Just one final question, and this kind of gets to the heart of it. How does a person who to some is only known in jest as the Vice President for Calendars and Fake IDs for Duff Beer—

Both: [Laughter]

Angelides: By the way, that made me very popular among my three daughters. It raised my hip status among all my daughters and their friends.

Singer: How does the Vice President for Calendars and Fake IDs for Duff Beer combat the Terminator and, possibly, Meathead?

Angelides: I believe in the politics of beliefs and actions. I've learned over my life that movements can succeed, campaigns prevail when they're based on core beliefs and when there's passion around those beliefs and when there's the discipline to organize around those beliefs.

I entered politics as a student activist back in 1971 in the campaign to defeat Richard Nixon for reelection. I've often said it's the only thing I have in common with our Governor, who said he was inspired to enter politics by Richard Nixon.

I believe that Californians are ready for a different route. This Governor promised to balance the budget, protect education, expand healthcare for kids. If he had run in the recall on the basis that he was going to pile up massive debt, cut education and cut back on healthcare for working families California, he never would have been elected.

From day one when he came into office, I've stood up to him – no matter how high his poll numbers are. And I believe Californians are ready for a change from what I call the Bush-Schwarzenegger low road to economic devastation. Schwarzenegger promised to be a moderate, and in the end he's brought the Bush-Cheney policies of debt and division and diminished opportunity to California.

I believe in the high road. I believe the only way we're going to succeed in California in the years ahead is if we have the cleanest environment, the most livable communities, the best trained workers and young people in the world so we can compete for the high wage, high skill jobs of the 21st century. And I believe we can make California a progressive model for the rest of the country. So we are building a campaign of beliefs as well as broad energy and organization.

I entered this race at a time when Arnold Schwarzenegger's poll numbers were at 70%. It's now clear that this is going to be a contest between the conservative assault on fairness and values and what I believe is the Democratic ideal of giving our people more chances, not fewer, the Democratic ideal of an economy of broad participation, the Democratic ideal of investing in the next generation, not piling debt upon them.

My campaign is co-chaired by Barbara Boxer and Nancy Pelosi. When Barbara Boxer started running for the United States Senate, her poll numbers were at 3%, and she won because she ran a campaign of beliefs and organization, and we're going to do the same thing. We already have over 150 elected officials in this state who have endorsed my campaign. We have built an email supporter list of 25,000 people, and it's growing every day. And so I have every belief that we can build a very powerful movement.

There's a lot of frustration in California. People are frustrated that George Bush was reelected in 2004 – or elected for the first time. They're frustrated that Arnold Schwarzenegger is the Governor of this state, having broken every promise he made. And I hope to turn that frustration into a movement of hope, and I have every confidence we can do it.

One last comment for you: I took over the California Democratic Party in March of 1991 when we had lost six straight Presidential elections in a row in California, the Democrats had. We had lost three straight gubernatorial elections. The day I took over as party chair, George Bush the first, was at 91% approval. And again we built a campaign of beliefs and organization, and by the time it was all over Bill Clinton had carried California,

Dianne Feinstein and Barbara Boxer became the first two women from any state to win election to the US Senate, and we changed the course of this state. And I believe we can do it again in 2006.

Singer: Thank you so much for joining me. Good luck in your responsibilities as State Treasurer, and in your campaign, and as a father and family man.

Angelides: Thanks so much Jonathan.

<http://basie.blogspot.com/2005/05/basie-interview-with-ca-treasurer-phil.html>

<http://www.washingtonmonthly.com/features/2005/0505.barabak.html>