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Not just Bush scored a victory on Nov. 2

Schwarzenegger, businesses and parties walked away winners

By Shawn Steel

ANOTHER election, another set of winners and losers. I'll set the national results aside and focus on how things shook out here in the largest state in the Union.

First, the winners:

Arnold Schwarzenegger: The Governor extended a remarkable winning streak that started with his election in the recall, his come-from-behind victories for Propositions 57 and 58 (bonds to patch California's deficit) and now the vanquishing of Proposition 66, which would have modified the popular "three strikes" law by requiring the third strike to be a violent crime.

Proposition 66 had the support of 76 percent of voters in May. It suffered some slippage during the summer months, but was holding at a healthy 58 percent as late as October 24. But once Schwarzenegger made himself the leading voice opposing Proposition 66, support for the ballot measure began to implode, falling 12 points in a matter of days.

Granted, Schwarzenegger isn't solely responsible for this reversal of fortune. His efforts coincided with anti-66 radio ads and talk-radio hosts focusing their ire on the ballot measure. But it's clear

Arnold was the primary factor in Proposition 66's defeat.

Equally impressive was his strident opposition and dismantling of the gambling interests' Propositions 68 and 70. Arnold also looked good by endorsing a winner like Proposition 64 (tort reform) and opposing Proposition 67 (telephone tax).

These victories will strengthen Schwarzenegger's hand in the looming battle with the Democratic Legislature over the deficit and restructuring. Given that the governor can always seek to ultimately enact his California Performance Review reforms via ballot initiative, the perception that his intervention doomed Proposition 66 will weigh heavily on the minds of Democratic legislators as they contemplate how hard to fight him on restructuring and spending cuts.

The party system: California's political parties experienced an extended near-death experience in the months running up to Election Day, as polls showed Proposition 62, the Louisiana Primary, coasting to victory. Both the Democratic and Republican parties mounted vigorous no on 62 campaigns — just as they had done in 1996 against an open-primary initiative that passed overwhelmingly anyway.

Proposition 62 would have obliterated the party system, limited voter choices and rendered third parties totally irrelevant. Thankfully, this message trumped the pie-in-the-sky rhetoric of 62's proponents. Even Schwarzenegger's endorsement made no difference to voters, who thankfully rejected this half-baked reform by a solid 54.3 percent. The icing on the partisan cake was the 67 percent yes vote for Proposition 60, which guarantees the right of political parties to choose their own nominees.

Free enterprise: The defeat of Proposition 72, which would have imposed an enormously costly health-care mandate on small businesses, was an enormously important reprieve for California's entrepreneurial culture. It was close: Proposition 72 only lost 50.9 percent to 49.1 percent. It is bracing to think so many Californians are willing to jeopardize the state's economic future for the illusion of health-care security, but let us be thankful we dodged this job-killing legacy from the Gray Davis era.

Now for the losers:

Arnold Schwarzenegger: I suppose only a political figure as dominant as the governor could wind up in both categories. He won big in the arena of direct democracy, but Arnold's bold gamble in legislative races proved a bust. None of the candidates he backed in open seats was elected. His attempt to unseat Democratic state Sen. Mike Machado also failed as Machado eked

out a close win.

Indian casinos: How the mighty have fallen. Less than two years ago, the casino tribes had it all: status as the state's most powerful special interest and a sympathetic public image. That enviable perch took a big hit during the recall election. Proposition 70's rejection by 76 percent of voters is the second severe blow to their image and influence. The pro-70 campaign tried to exploit sympathy for the tribes and guilt over their past mistreatment. The only problem is no one feels sorry for wealthy casino Indians anymore. Now these initiatives just seem greedy.

Trial lawyers: By passing Proposition 64, California voters showed they were able to see through the trial attorneys' predictable resort to deceptive TV ads, and end one egregious practice of shaking down small businesses with extortion lawsuits. It doesn't end all predations of the worst sort of trial attorneys, but is one more step toward restoring California's entrepreneurial, small-business job engine.

This year's election was a major battle in the ongoing war to divert California from the collectivist course of the Davis years and toward a more entrepreneurial future. By and large, freedom moved forward, though it has a long way to go.

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