

New York City mayor slashes public services

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The budget proposed by New York City Mayor Michael Bloomberg earlier this month would mean major cuts in public and social services. The mayor called for closing a projected \$4.76 billion budget deficit with funding cutbacks for city agencies ranging from 6 to 26 percent, along with a series of increased fees that will disproportionately affect workers and the unemployed. About 6,000 city jobs are to be cut through attrition and employee buyouts.

The reductions in services will come precisely as rising unemployment and poverty make the programs all the more necessary. The budget for the Administration for Children's Services, for instance, will be cut by about 18 percent, or \$80 million, resulting in the elimination of 10,000 slots in a proposed day-care expansion program. Sixteen million, or 19 percent, will be slashed from the budget of Youth and Community Services, leading to the likely disappearance of 2,000 summer jobs for youth.

At the Department for the Aging the cuts amount to \$26.1 million, or 16 percent. Prescription drug reimbursements would be eliminated, along with weekend meals for the elderly. Seven senior citizens centers would be closed and four others would not be opened as previously scheduled.

The Department of Homeless Services would be cut by 17 percent at a time when the number of homeless is steadily increasing. Legal services that help families fight evictions would also be cut, a step sure to increase the demand for the homeless services being slashed.

The city's public schools are in desperate shape, with necessary supplies, such as paper, unavailable. After two decades of increased immigration—rising at a rate unprecedented in the past 100 years—the overcrowded and dilapidated school buildings are a scandal, yet Bloomberg proposes to cut the schools construction budget by \$692 million, or 20 percent. The operating budget for the schools will be cut by \$354 million, or 7

percent, leading, at the very least, to the elimination of all extracurricular activities. On the college level, City University funding is to be cut by 13 percent.

Other public services are also coming under the axe. Library funding is to be cut by \$39 million, or 15 percent, on top of previous cutbacks over the past decade. Branch libraries that are currently open for six days a week will probably be cut back to five.

Other suggested cuts include \$10 million from the Fire Department, to eliminate some ambulance shifts; \$56 million from the Sanitation Department, eliminating metal, plastic and glass recycling; and another 13 percent at the Parks Department, the agency that has been all but decimated even during the boom years.

The mayor has depicted himself as a hands-on manager of the city's finances, firm but compassionate, making sure that the "sacrifices" are shared equitably. The media has taken up this reassuring refrain, with the *New York Times* pointing to the pledge to hold off on layoffs for a year and editorializing that Bloomberg "seems to be trying hard to be fair."

When the budget was announced by Bloomberg on February 14 the *Times* declared "what he has done can hardly be called a St. Valentine's Day Massacre. By avoiding layoffs and spreading the pain broadly across the city, the mayor may even manage to win a few hearts."

Notwithstanding these claims, it is obvious to all that the wealthy will hardly be affected at all by the cuts. They have no need for the city's public schools and social services. Central Park, the city's crown jewel in the heart of the wealthiest neighborhoods, is maintained largely through private funds as a result of changes carried out over the past 20 years.

Bloomberg made much of the fact that even the Police Department, in the aftermath of September 11, will be asked to absorb a reduction of about 6 percent.

He reiterated his commitment to “zero tolerance” for crime, however, and said that whatever resources were necessary would be found immediately if there was any increase in the crime figures. He made no such promise about finding money for schools, hospitals or other services.

While Bloomberg talks about “sharing the pain,” he also insists that there can be no increase in personal income or corporate taxes, lest businesses and the wealthy flee New York. As a result the super-rich, like the billionaire mayor himself (his net worth, it has been pointed out, coincidentally amounts to roughly the same figure as the projected \$4.8 billion deficit), will pay nothing. The gulf between rich and poor, which has already reached record levels, is going to be widened even further by the recession and cutbacks.

There was one criticism raised in big business circles about the proposed budget. A relatively mild one, it had nothing to do with the cuts that workers are being told to absorb. On the contrary, it called for more sacrifices. This was voiced by big business “watchdogs” like Diana Fortuna, president of the Citizens Budget Office, who generally praised the mayor, but added, “Could it be less borrowing and more cuts?”

What the fiscal monitors and media pundits are concerned about is the plan to issue another \$1.5 billion in debt to cover current expenses. They correctly point out that similar practices helped to push the city into bankruptcy and financial takeover by the state in the 1970s.

There is a large element of wishful thinking embodied in budget plans based on hope for a rapid recovery from the current slump. A period of stagnation, a so-called “jobless recovery,” or a “W-shaped” downturn, in which a very modest improvement is followed by another slump, would have devastating consequences. New York City and the State of New York are already the most heavily indebted governments in the US. The city’s debt rose by more than half, or about \$15 billion, during the successive administrations of Mayor Rudolph Giuliani, forcing the city to consume a large portion of its budget just paying interest on existing debt.

Bloomberg’s much-heralded “inclusiveness” has provoked favorable comparison with Giuliani. The new mayor has met with union leaders and black politicians,

such as Al Sharpton. He has made various friendly noises in the direction of political rivals, and has won the praise of nearly everyone—except the millions of workers who will have to foot the bill for the crisis produced by Wall Street and its political representatives.

One recent news report gave a glimpse of what these workers are thinking. When a reporter went to one senior center affected by the looming cuts in weekend meals for 12,000 elderly men and women, 82-year-old Margaret Robinson made her feelings clear. “He’s got some nerve,” she said. “He has plenty to eat in his house, I’m sure. I wish I could staple his mouth shut so he couldn’t eat. Then he might understand.”



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