

New strategy needed to fight attack on New Yorkers' jobs and services

The Editorial Board
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The following statement is available in as a PDF leaflet and is being distributed by supporters of the World Socialist Web Site and the Socialist Equality Party to an April 29 demonstration called by New York City unions against sweeping cuts in jobs and services in the new budget proposed by Mayor Michael Bloomberg.

Faced with the threatened layoff of up to 15,000 municipal workers and the slashing of already diminished public services, working people in New York City confront the need for a new political strategy to defend jobs and social conditions.

New York has already lost over 176,000 jobs in the past two years. Those now slated to be laid off under Mayor Michael Bloomberg's budget, for the most part low-income workers, will be condemned to the unemployment lines and welfare.

Proposed budget reductions will slash funds for everything from education, to basic health care, aid to senior citizens, foster-care programs and shelters for the homeless. As many as 40 of the city's 200 firehouses could be closed, placing the lives of both city residents and firefighters in danger.

The city layoffs and budget cuts will come on top of a series of sweeping attacks by the Republican state administration of Governor George Pataki, which is projecting its own deficit of more than \$11.5 billion. The Metropolitan Transportation Authority has already imposed a 33 percent rise in public transit fares that goes into effect May 1. Cuts in education will sharply increase tuition at city and state colleges, and a threatened cut of \$1.4 billion in health care funding could spell closure for hospitals and clinics.

These measures will only exacerbate the staggering levels of social inequality that already exist in New York City. The city with the greatest concentration of multimillionaires and billionaires in the world has a rising homeless population that is approaching 40,000, most of them women and children. Many of the homeless are working at jobs pegged to a minimum wage of \$5.15 an hour.

More than 1.6 million of the city's residents—20.2 percent of the population—are living below the absurdly low official poverty line of \$17,500 for a family of four, while another 13 percent are subsisting just above it.

The gap between wealth and poverty in New York can be summed up in one simple fact: the city's \$3.8 billion budget deficit—to be covered through mass layoffs and untold suffering for millions—is \$700 million less than the combined corporate and real

estate holdings of just one man, the city's billionaire Republican mayor, Michael Bloomberg.

The deficit and the impending cutbacks are routinely blamed on the financial downturn that has struck the city because of its dependence on the financial markets and the impact of the September 11, 2001 terrorist attack that toppled the World Trade Center.

In reality, the deficit is largely the product of the huge tax breaks awarded to the corporations and New York's financial elite, particularly during the period of the speculative bubble on Wall Street in the 1990s. While cutting welfare and other social services, Bloomberg's predecessor, Mayor Rudolph Giuliani, enacted 23 separate tax cuts during his eight years in office. Combined with cuts carried out at the state level, the result was an annual reduction in city revenues of \$3.6 billion, almost exactly the size of the current deficit.

Both Bloomberg and Pataki have rejected raising taxes on the wealthy or the finance houses and corporations that are based in New York. The mayor has instead imposed a property tax that falls largely on middle-income homeowners, and proposed a commuter tax for workers who travel from surrounding suburbs to jobs in the city.

The city's business taxes have not been adjusted for inflation since 1966 and account for just 12 percent of total revenues. Average working families, meanwhile, pay personal income tax at nearly twice the rate charged to the corporations. In 1979 the city abolished its stock transfer tax, which brought in \$258 million that year, bowing to blackmail from Wall Street. The stock exchanges threatened to leave the city unless they got their way.

Various liberal think tanks have produced reports showing that merely closing corporate loopholes and eliminating tax exemptions doled out over the past two decades would easily produce revenue far in excess of the current deficits. But Pataki has dismissed any such suggestions with demagogic denunciations of "job-killing taxes." Bloomberg has warned that any attempt at forcing the wealthy to pay their share would only lead to their exodus from the city.

Both Bloomberg and Pataki are committed to the social policy that predominates nationwide and in both political parties—the redistribution of wealth from the working population to the financial elite.

Once again, the banks and big business are demanding that the city balance its budget on the backs of the working class and the

city's most impoverished layers. They want blood in the form of layoffs and reduced services, and Bloomberg aims to oblige. He has rejected the unions' offers of limited concessions and loans from their pension funds, and is calling for what amounts to a radical downsizing of public services and the municipal workforce.

The Bloomberg proposal has been referred to in several newspaper accounts as a "shock-and-awe" budget. The reference to the assault on Iraq is more appropriate than those who use it as a journalistic catch phrase imagine. The Bush administration's policy of plundering an entire country goes hand-in-hand with the plundering of the jobs and living standards of working people in New York City and throughout the country. These are two sides of the same policy, which is designed to benefit a thin layer of multimillionaires and billionaires whose wealth is bound up with parasitism, corruption and criminality.

Just as Bush's ostensible political opponents in the Democratic Party and the trade union bureaucracy failed to oppose the illegal war on Iraq, so too are they prostrate before the impending social onslaught in New York City. Both of New York's US senators—Democrats Charles Schumer and Hillary Clinton—voted last October to give Bush an open-ended authorization to attack Iraq, while every one of the statewide Democratic elected officials supported the aggression.

New York City's unions have not led a single serious struggle in more than a quarter of a century. Their protracted degeneration reached a decisive turning point when the city teetered on the edge of bankruptcy in 1975. Then, the union bureaucracy, led by Victor Gotbaum, Barry Feinstein and Albert Shanker, accepted mass layoffs and the slashing of essential services to bail out the city and its creditors.

They joined with the politicians and the bankers in helping to set up the Emergency Financial Control Board and the Municipal Assistance Corporation. These agencies remain in operation to this day, imposing a fiscal straight jacket on the city to assure uninterrupted interest payments to the banks and bondholders.

During the 1990s, the trade union bureaucracy collaborated intimately with the right-wing Giuliani administration, forcing through concessions contracts that imposed two-year wage freezes on city workers, even as the city's wealthy were enjoying their biggest windfall in history as a result of the soaring stock market.

The corruption and get-rich-quick mentality on Wall Street found its direct reflection within the privileged strata that make up the union bureaucracy. Within the union council representing the largest share of the municipal workforce, the 125,000-member District Council 37, it emerged that top leaders had stuffed ballot boxes to get wage-cutting contracts passed, while stealing from their members' union dues. More than 20 of these bureaucrats were convicted on charges of embezzlement, kickbacks and ballot-rigging, while the leaders of the council's two largest locals are presently sitting in jail for stealing more than \$1 million each.

DC 37's current president, Lillian Roberts, was brought in a year ago to provide the scandal-plagued union with a clean image. But, with an annual salary of a quarter of a million dollars—10 times the average take-home pay of those she claims to represent—Roberts is part of the financial elite whose interests Bloomberg's and Pataki's policies are designed to defend. She is part of a social

layer that is paid handsomely for the job of sitting on top of the working class and suppressing any movement toward independent struggle.

Now Roberts herself has been caught in a conflict-of-interests scandal, charged with having personally steered DC 37's lucrative legal contract to a law firm in which her nephew is a partner, and then lying about the way this no-bid deal was engineered.

The rapid reemergence of corruption at the top of DC 37 is the clearest indication that these official union structures are rotting on their feet.

The unions lie when they claim that the Democrats can be pressured into opposing the destruction of jobs and social conditions at home or the eruption of militarism and war abroad. Such claims are aimed at preventing the emergence of any independent struggle by the working class.

At the same time, the unions' long-standing practice of accepting cuts as a means of "saving jobs" and their habitual claim that concessions are only a temporary reaction to "current economic conditions" have led workers into a blind alley. The result has been to completely subordinate the interests of their members, and of the vast majority of the city's population, to the profit demands of Wall Street.

Defeating the attacks on jobs and social services will require the building of new organizations of industrial and political struggle that are free of the grip of the corrupt and bureaucratized union apparatus, along their partners in the Democratic and Republican parties.

The most pressing need is the building of an independent political party, based on the working class and fighting to defend the social interests of the vast majority of the population against the profit interests of the banks, corporations and the financial elite. Only such a party, armed with a socialist program, can begin to tackle the present crisis by placing the immense financial resources that have been monopolized at the top of the social pyramid under the democratic control of the broad masses of working people, and redirecting them so as to provide secure and good-paying jobs, quality health care, housing and education for all.

The Socialist Equality Party (SEP) and the *World Socialist Web Site* (WSWS) fight for the building of such a party to unite all sections of working people, students, immigrant workers and the poor. We urge all New York City workers to read the WSWS and carefully consider the policies of the SEP. Help expand the readership of the WSWS by downloading and distributing its articles and statements. Contact the WSWS Editorial Board, submit your own articles, and make the decision to join and help build the SEP as the new, independent party of the working class.



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