

Court ruling on fare hikes exposes New York's class divide

Peter Daniels
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The recent ruling by a State Supreme Court judge ordering the Metropolitan Transportation Authority (MTA) to rescind the huge New York City bus and subway fare increases that went into effect in early May was a rare occasion indeed. In his May 14 decision, Judge Louis B. York declared that the agency, controlled by the New York governor through his appointment of a majority of its members, had failed to “provide the public in attendance at public hearings with accurate information.”

Very few people expect the judge's decision to stand. MTA management appealed it to the state's Appellate Division, which is set to hear the case on June 10. Even if the higher court upholds the ruling, which is considered unlikely, the MTA can schedule another set of hearings, providing more “balanced” data, and then reenact the same increases.

Nevertheless, popular reaction to the court decision is a reflection, though an understandably pale one, of the anger among millions of working people at the reverse Robin Hood policies being arrogantly imposed or presided over by the city's billionaire mayor, Michael Bloomberg. Seething over a series of savage attacks on living standards and social conditions, working people throughout the city enthusiastically welcomed the ruling.

During the Wall Street bubble of the late 1990s, many workers saw little or nothing in terms of social improvements. In the past two years since the stock market slump, however, more than 200,000 city jobs have been lost, with no end in sight to a serious growth of long-term joblessness.

The city and state governments, despite internal squabbling over the nature of proposed budget cuts, are unloading the crisis onto the backs of workers and the poor. Bloomberg enacted property tax increases of 18.5

percent. Higher sales taxes are on the way, after the state legislature gave the city and other localities the green light for such increases.

Other regressive measures include a decision giving New York City landlords an 8.5 percent increase for rent-stabilized apartments. City University tuition is also going to rise. And the Mayor, after unsuccessfully demanding \$600 million in concessions from city workers, has already laid off 2,000 municipal employees, including more than 500 sanitation workers and 500 workers at the Administration for Children's Services. Another 2,300 workers, including paraprofessional workers in the city's schools, are scheduled to lose their jobs over the next five weeks.

The MTA is a particular focus of popular anger because of the huge and immediate impact of its fare hikes as well as the open contempt with which the transit officials have carried out these attacks.

The jump in the standard transit fare from \$1.50 to \$2.00 represents an increase of 33 percent, and makes the city's fare the highest in the country. For the many poorer sections of the working class, those in minimum wage jobs—not to mention the unemployed—and the hundreds of thousands of immigrants trying to eke out a living and help their families back home, this is an enormous hardship. The MTA has apparently tried to soften opposition by raising the cost of its 7- and 30-day passes by a substantially lower percentage, but it is precisely the lower-paid workers who will be paying more, since they often can't afford these passes.

The immediate trigger of the lawsuit against the fare increase was the MTA's use of Enron-style accounting as a means of coordinating its fare increases with the re-election campaign of its patron, Republican Governor George Pataki. Pataki coasted to victory last November against his Democratic challenger Carl McCall. During

the campaign, few if any in the media asked embarrassing questions about the looming state budget crisis. The MTA, a quasi-public agency whose role in part is to shield public officials from full responsibility for the running of public transit, said nothing about its own fiscal health.

Within weeks of Pataki's re-election, however, the transit officials claimed to have discovered massive deficits that could be covered only through drastic fare increases. They scheduled public hearings only because they were legally obliged to. The MTA chairman, real estate multimillionaire Peter Kalikow (who briefly owned the right-wing *New York Post* before Rupert Murdoch took over), barely bothered to attend the pro forma hearings.

So brazen was the MTA's behavior that sections of the political establishment felt obliged to complain, if only to deflect anger away from themselves. State Comptroller Alan Hevesi, who used to hold the city comptroller post, and current city Comptroller William Thompson provided data showing that the MTA was hiding some \$537 million in its claim of a \$2.8 billion deficit for 2003-2004. The lawsuit against the fare hike was led by the Straphangers Campaign, a "good-government" advocacy group with origins in the Public Interest Research Group. In his decision, Judge York ruled that the MTA's "fictitious gap...had a chilling effect on the public discouraging an open and complete discussion..."

The fare is undoubtedly going up, and a lower court decision is not going to stop it, given the relentless right-wing policies demanded by Wall Street and accepted, with varying degrees of enthusiasm, by all of the Democratic and Republican politicians. The media onslaught against city workers is an indication of the present political climate within the ruling elite.

Not only the rabidly right-wing *New York Post*, but also the "liberal" *New York Times* has spearheaded this attack, even if with different styles. An "analysis" by Steven Greenhouse in the *Times* several weeks ago is indicative. According to Greenhouse, "The only ones who seem immune from the pain of the city's and state's budget deals are New York's powerful labor unions." Everyone else is making a sacrifice, he wrote with a presumably straight face, referring to a proposed modest surcharge on city income taxes for the wealthy. That city workers are facing both layoffs and the full

brunt of fare hikes, service cuts, sales tax increases and other attacks aimed at working people in the city is apparently besides the point.

The city's ruling elite is annoyed with the municipal labor bureaucracy for not immediately forking over the \$600 million in concessions demanded by Bloomberg. The union bureaucrats are at fault for the layoffs, the argument goes, since if they'd only spread the pain to their whole membership, people wouldn't have to lose their jobs. There have even been numerous unflattering comparisons with an earlier generation of union officials who came to Wall Street's rescue during the city's brush with bankruptcy in the 1970s.

In fact, there is no difference at all in outlook between the current bureaucrats and their predecessors. A major difference this time around, pointed out by no less an authority than Victor Gotbaum, the labor official who played a key role in the massive concessions agreed to in 1975, is the unwillingness of Bloomberg, compared to previous elected officials, to sit down and bargain with the union bureaucrats. "When management and labor are in a bad way," Gotbaum pleadingly suggested to the *Times*, "they should be sitting down and working things out. Maybe this is part of a big learning curve, but he [Bloomberg] hasn't done this."

The union bureaucrats would love to make a deal, but Bloomberg is not particularly interested. It's not a learning curve that is reflected in his take-it-or-leave-it posture, but the uncompromising determination of the corporate and financial elite to make the working class pay for the crisis. This is setting the stage for social explosions of a kind that have not been seen in decades, explosions that will not be easily controlled by the Democrats and their trade union allies.



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