

In the eye of the storm

New York City workers condemn Wall Street bailout

Bureaucrats back Obama as workers hit bailout

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6 October 2008

The efforts of the Democrats and Republicans to rescue the financial oligarchy on Wall Street with hundreds of billions of dollars of public money have provoked a wave of revulsion and hostility from workers across the United States.

Some of the strongest reactions have been seen in New York City, the home of Wall Street. This is the most unequal city in the country, where millions of working people live cheek-by-jowl with the handful of billionaires and multimillionaires who have been the principal beneficiaries of the fraud and parasitism that dominate the financial industry.

There are 64 billionaires in New York City, who together boast a combined net worth of \$344 billion--more than four times the amount held by billionaires a decade ago. In the same city, 1.5 million people live below the federal poverty line, somehow eking out a living on \$16,600 or less a year--for a family of three.

Nearly 70 percent of New York City public school children are classified as poor. Diabetes rates in the city have doubled in the last 10 years.

The manic accumulation of personal wealth on Wall Street has fed a housing bubble in New York that has driven the prices of apartments in Manhattan into the stratosphere. A realtor advertises in the *New York Times* for a building on Fifth Ave. boasting "a choice of gracious living spaces, the finest finishes, sweeping views and unrivaled amenities." The price tag: "\$10.5 million to over \$47 million."

Meanwhile, at least 34,000 people go to sleep each night in the city's homeless shelters. The ragged ranks of the city's homeless families have risen 15 percent over the past two years.

Moreover, gentrification has displaced hundreds of thousands of working class residents from lower Manhattan, even pricing out many middle class people, who have moved to northern Brooklyn, where the higher rents they can afford are in turn forcing out poorer groups of working people from these same neighborhoods.

Fat salaries and bonuses paid on Wall Street have helped to sustain some of the finest and most expensive restaurants in the world. Meanwhile, a recent survey indicates at least 1.3 million people--one out of six city residents--lack sufficient food and are forced to go hungry at least some time during the year.

Tens of thousands New Yorkers are employed in offices or perform service jobs of various kinds in the Wall Street area. Some work in the financial industry itself while others cater to the substantial tourist

trade in lower Manhattan. Building construction and repair is continuous, bringing in many laborers and trades people during the day to the neighborhood.

It is estimated that the financial industry has shed some 120,000 jobs worldwide over the past year, with many of the layoffs taking place on Wall Street. The trend has accelerated sharply with the collapse of institutions like Bear Stearns and Lehman Brothers.

These layoffs have staggering implications for the city as a whole. It has been estimated that every one job in the financial industry in New York supports three others in the service sector. Moreover, every 1,000 jobs lost in the financial sector spells the loss of \$50 million in tax revenues for the city, meaning deep and punishing budget cuts.

Democratic Governor David Paterson has already slashed the state budget, cutting millions from public education aid to the city. Because of the shortfall in tax revenue from Wall Street financial institutions, millions of dollars more were eliminated from the city budget in June of this year.

Mayor Michael Bloomberg, whose \$20 billion fortune alone could support much of the city's infrastructure, has announced a further \$1.5 billion in budget cuts over two years. In 2009, the education budget will be slashed by \$185 million, and in 2010 by \$395 million. A letter from the city's Office of Management and Budget noted the reliance of the city budget on the fortunes of Wall Street:

"The credit crunch which began over a year ago has worsened, and has led to increasingly serious losses on Wall Street ... the institutional and market changes in the finance sector are likely to reduce employment and taxable revenue from this sector well into the future. This will hurt New York City because of our reliance on tax receipts from this sector of our local economy. The generally worsening outlook for the national and international economies is also likely to affect our revenue. ... The full extent of actions necessary for the city to maintain its legally mandated balanced budgets may not be clear for some time."

Other forms of support for the working class and the poor in New York City are to be hit hard by the crisis on Wall Street. The *New York Times* reported that charities and various public institutions are anticipating a steep shortfall in giving from Wall Street.

The Starr Foundation, which is historically associated with the AIG insurance conglomerate (bailed out for \$85 billion by the Federal Reserve Bank in mid-September) and held millions of shares in its

stock, gives approximately \$100 million to charities in New York City.

As the *Times* observed, "Randolph Peers, executive director at Opportunities for a Better Tomorrow, which helps disadvantaged youths and adults learn skills to get jobs, got \$75,000 a year from the Starr Foundation for five years but will not get money this year. 'We were told that the foundation was focusing on other priorities. It hurts to lose \$75,000.'"

Executives from Lehman Brothers, including its chairman and CEO, Richard S. Fuld Jr., have been visible in the past in donating a tiny fraction of their immense proceeds--Fuld made nearly \$72 million last year--to public institutions in New York.

The *Times* quoted Phyllis Fisher, a spokeswoman for the Hospital for Special Surgery, as saying that her institution "received money from both the Starr Foundation and the Lehman Brothers Foundation. 'We got a \$1 million grant last year from Lehman Brothers when we honored Richard Fuld,' she said. 'We got \$400,000 so far. We don't know what will happen.'"

Bureaucrats back Obama as workers hit bailout

On Monday, September 29, just hours before the first version of the bailout bill was defeated in Congress and as stocks began a steep decline, a few hundred workers assembled at Wall and Broad Streets in the financial district for a rally against the bailout. The demonstration was called by Transport Workers Union Local 100, which represents bus and subway workers, and Local 1199 of the Service Employees International Union, the city's hospital workers union. Its small size made it apparent that neither union had sought to turn out its rank and file.

AFL-CIO National President John Sweeney, other union leaders and the Reverend Jessie Jackson delivered short, demagogic speeches designed to channel their members' considerable anger over the bailout into support for Democratic Party presidential candidate Barack Obama. Needless to say, none of them mentioned the fact that Obama was himself voting for the bailout and playing a prominent role in pressuring other congressional Democrats to do likewise.

Some of the bureaucrats barely tried to hide their support for relief for the bankers. United Federation of Teachers President Randi Weingarten called for "a responsible rescue" of the super-rich financiers.

The *World Socialist Web Site* spoke to a number of workers at the rally. Norm, a retired firefighter, said, "If you read the preamble to the Constitution, it says 'we the people,' not 'we the corporations,' not 'we the rich.' When I looked over here and saw all these people [indicating the well dressed people in the area], I knew that that's what that really meant."

He said that in the speeches given at the rally there was "not one word" about the class divide. "These people robbed America. You're going to set them up again for the next generation.

"I'm worried about my kids, my grandkids. I see this happening again. It'll happen again so long as these types of people are doing what they're doing and nobody's stopping them.

"The first thing a government does is protect itself, not the people. If things keep on going the way they are, pretty soon you're going to have a rich class, and I mean filthy-rich like we're seeing today, and

an extremely poor class.

"I would like to see the common man say, 'Hey, I'm fed up and I won't take any more. I won't be robbed any more; I won't have things taken away from my family and my children just so somebody else has a few extra bucks.' We have to take away from the rich and give to the common man."

Roy Whitelock, a New York City transit worker, told the WWS: "The bailout is for those who control. The one who has the gold makes the rules. The bottom line is that everything is creeping higher and higher. We're up to our neck, and if you can't breathe, you lose. Until this affects them, the rich, personally, they're not going to worry about us. The Democrats and Republicans have already been aware of what's been going on way before this happened. They're not going to do anything until the public gets unraveled enough to point fingers at them."

Several days earlier, on September 25, a few hundred people turned out on Wall Street to demonstrate against the bailout, many of them carrying homemade signs denouncing the giveaway to the banks and asking why their student loans, mortgages, etc., weren't being bailed out as well.

Michel, a French worker living in New York, spoke to the WWS. "We don't have the money for the bailout," he said. "And nobody has given the slightest reason for why it would work."

He added, "[Treasury Secretary Henry] Paulson was one of the reasons for the crisis because he was the head of Goldman Sachs, which was one of the companies that had created all of these financial instruments. So now he is in charge of the problem that he has created himself! It's absolutely unbelievable. If we are to bail out banks, the people have to own them. It's common sense."

Kevin Harkin, a documentary filmmaker living in New York, came to the demonstration and was filming the protest. The "top 1 percent" was responsible for the crisis, he said. "They wanted less government intervention, they wanted the free market, they wanted to let it run its course, and it's run its course! It's a bad gambling debt."

"I think it would be irrational to say that there's a really simple answer," he continued. "Banking has been international for a long time, so if we have a crisis here, it will be like a big wave. They move money from one country to another, exploit the country, flatten it."

"Forgive the [homeowners'] mortgages," he demanded. "That's where the money should go."

What did he think about uniting the working class internationally on a socialist program? "I think it has to be done," he said. "I think it's the only way to stop these guys. They don't care, they bilk people out of their retirement, savings, and they pay nothing. They've gotten huge golden parachutes. Anybody who's in trouble at the top, seize all their assets, lock them down. These guys ran up the debt; they did it to us. If I ran up a huge debt on a credit card, they'd shut me down."



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