New York City workers forced to pay for crisis

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New York City is the home of Wall Street, which has seen trillions of dollars of public funds pumped into the biggest US banks and finance houses, rescuing those responsible for dragging the country and the entire planet into the worst economic catastrophe since the Great Depression of the 1930s.

As the *New York Times* noted last week, the taxpayer-funded turnaround of the financial sector has set the stage for "the return of supersize banker bonuses," with senior executives and top traders on track to receive even more money than before the onset of the crisis, in many cases $10 million or more apiece.

For the vast majority of the city's more than eight million people, those who depend upon their paychecks to make a living, the financial crisis unleashed by the speculative and often criminal activities of those being bailed out has meant attacks on jobs, wages and benefits.

Spearheading this assault is New York's billionaire Mayor Michael Bloomberg, who has demanded sharp concessions from the more than 280,000 workers employed by the city, while threatening thousands of layoffs.

But cutbacks are being imposed on virtually every section of the working class in New York City, from public employees to hospital workers, construction workers and employees at the *New York Times*. In every one of these cases, the unions have collaborated fully with management in attacking wages, benefits and working conditions of the workers they purport to represent.

The majority of workers in New York City who have no unions are facing similar attacks. According to *Crain's New York*, "An estimated 75 percent of non-unionized businesses are exploring labor-cost reductions like furloughs, pay cuts and increased employee contribution to health plans."

The city's biggest union, Local 1199 of the Service Employees International Union, voluntarily reopened its contract covering 145,000 hospital and nursing home workers, supposedly to deal with a crisis of its pension fund resulting from losses on Wall Street.

The employers' group, the League of Voluntary Hospitals and Homes, responded with a set of concession demands, including elimination of wage increases, additional $100 pension premiums and allowing hospitals to cut funds for training and child care.

Negotiations for give-backs have dragged on for over five weeks, with the union staging ludicrous charades aimed at mobilizing sections of workers into protest actions demanding that hospital CEOs accept 1199's concessions.

Meanwhile, unions representing hundreds of thousands of municipal workers reached a deal with the Bloomberg administration that trades $1 billion worth of health care concessions over the next six years for a three-month reprieve for 1,000 workers who were to be laid off. The concessions impose new $50 co-pays for emergency room visits, $100 co-pays for hospital admissions and other restrictions on health care.

The agreement did nothing, however, to save the jobs of some 1,000 provisional workers-those hired for positions without first taking civil service exams-who were slated for layoff. The bulk of those targeted were at the Administration for Children's Services. A fiscal 2010 budget approved by the City Council last Friday has apparently forestalled-temporarily-some of those layoffs.

At the *New York Times*, the unions agreed to a deal that cuts unionized workers' pay by 5 percent through the end of the year, while failing to incorporate a no-layoff pledge that union leaders had claimed they would get in return.

The city's 40 building trade unions have accepted some of the deepest cuts, agreeing to an "Economic Project Labor Agreement" (PLA) last month. The deal reduces wages, hours and benefits for workers at the city's 12 largest and most expensive construction projects, including the Beekman Tower, a 900-unit luxury condo high rise on the northern edge of the financial district. Construction on the building, designed by the architect Frank Gehry, was shut down in March by the Forest Ratner Co. and resumed only after the concessions agreement.

The deal includes direct pay cuts amounting to as much as $2 an hour plus $2 an hour cuts in payments for annuities and the slashing of overtime rates.

At a union-management Construction Industry Partnership meeting held in February, Larry Silverstein, the developer of the former World Trade Center site, gave a keynote address calling for the concessions in which he said that the demand for cuts in labor costs were being driven by the Wall Street banks.

"We need to reestablish the bottom line on labor costs for banks to be willing to lend," Silverstein told his audience of developers and union bureaucrats.

Lou Colletti, head of the Building Trades Employers Association, followed up by declaring, "We must take drastic action to survive. The demand being made for cost reduction is not coming from the employers of union labor but from the banks."

While no doubt such claims are self-serving, there is every reason to believe that the same banks that have been bailed out with trillions of dollars from the public treasury are leading the drive to slash labor costs, reduce public budgets and increase the rate of profit, all at the expense of the jobs and living standards of working people.

The unions have not only proven incapable and unwilling to resist these demands, they are acting as direct partners in imposing them.

The mounting anger of New York City workers was evident as a reporting team from the *World Socialist Web Site* spoke to some of those immediately affected by the wave of concessions and layoffs, including hospital workers and employees of the Administration for Children's Services.