

# The New York Times and “living within our means”

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On the eve of New York Democratic Governor Andrew Cuomo’s budget announcement, the *New York Times* published a lengthy editorial headlined “Within Our Means,” demanding that all New Yorkers tighten their belts in order to close the state budget gap.

The budget presented by Cuomo on Tuesday includes drastic across-the-board austerity measures, cutting billions of dollars in local school funding and Medicaid appropriations, while proposing to lay off some 10,000 state workers.

This is all to the good, as far as the *Times* is concerned, but only as a first installment. Cuomo and the state legislature, the editorial declares, “will have to make very difficult decisions about how to close a \$10 billion budget deficit—which state offices to shutter, which services and aid to cut, which employees to lay off and which taxes to raise. There are no easy fixes left.”

Noting that half of the state’s operating budget goes to education and health care—the areas hardest hit by Cuomo’s budget ax—the *Times* affirms indifferently, “So, the state’s most vulnerable citizens—the poor, the sick, the elderly and schoolchildren—will inevitably bear the largest burden.”

The newspaper assures its readers, however, that there is plenty of “room to cut,” arguing that the deficit is largely a function of the state government’s “profligacy and its eagerness to reward unions and other special interests.” To illustrate its point, it cites the provision of “optional benefits” such as dental coverage to such “special interest” groups as the children of families subsisting on less than \$15,000 a year.

There is no room for sentimentality about such things, the *Times* makes clear. “We need to live within our means,” the editorial states, while expressing the hope that ways can be found “to cut spending equitably.”

To demonstrate its commitment to equity, the newspaper makes a few concrete proposals. “The best place to look for savings is in programs for the elderly and the disabled,” it writes. It suggests that the state “restrict allowed home visits,” leaving those unable to leave their apartments to die

on their own.

It adds proposals to carry out mass layoffs of teachers and state employees, while freezing their salaries, cutting their pensions and increasing their health care contributions. “Freezes are a painful fact of life across the private sector these days,” the newspaper notes.

Cautioning against taking the idea of equity too far, the *Times* warns, “With the economy still struggling this is not the time to impose major new taxes.”

This editorial gives voice to the firmly held views of a ruling elite in New York City which, in terms of its corruption, defense of social inequality and political reaction, is a match for Hosni Mubarak and his cronies in Cairo. Only outright sociopaths could make the case that in New York, of all places, the prime area to look for money to close the deficit gap is the meager assistance provided to the disabled and the homebound elderly.

This city’s mayor is Michael Bloomberg, a man whose personal fortune exceeds \$18 billion. He and his fellow billionaire New Yorkers—men like David Koch, John Paulson, Ronald Perelman, Carl Icahn, Stephen Schwarzman, Rupert Murdoch—could personally cover the state deficit ten times over and still rank among the super-rich.

They bestride a city that is the most unequal in the country and among the most unequal in the world. According to one recent study, if New York City were a country it would rank 15th from the bottom in terms of income equality among 134 nations, roughly on a par with Honduras. To talk about “cutting spending equitably” in this environment is not just farcical, it is criminal.

The state’s budget crisis is not the result of “profligacy”—no one who has been inside a New York City public high school, a public housing development or a state-run medical facility could utter the word with a straight face. Rather, like the yawning chasm between wealth and poverty, it is the product of the systematic plundering of society by a layer of social parasites and financial swindlers, many of whom should be the subject of criminal investigation and

prosecution.

This layer, which is now braying for the fiscal crisis to be taken out of the hides of school kids, the poor and the disabled, monopolizes the wealth of society on a scale unheard of in modern history.

New York City's top 1 percent consists of those making \$645,000 or more in annual income. (The *Times*' executive editor, Bill Keller, fits comfortably in this category). According to a recent study by the Fiscal Policy Institute (FPI), this layer has seen its share of total income in the city rise from 12 percent in 1980 to 44 percent in 2007, the last year for which data is available.

This top 1 percent consists of about 34,500 households, comprised of 90,000 of New York City's richest. Their average household income amounts to \$3.7 million a year. As the FPI study points out, ten times as many city residents—900,000—are living in deep poverty, defined as half of the absurdly low federal poverty line for a family of four, which translates into \$10,500. This annual income, upon which more than 10 percent of New York's population subsists, is roughly the equivalent of the \$10,137 which the average household in the top one percent rakes in every single day of the year.

The average income of the top one percent has more than doubled since 2002 alone, rising by 119 percent. Meanwhile, over the past two decades, the median hourly wage in New York City has fallen by nearly 9 percent, while the share of total income earned by those on the bottom half of the economic ladder—50 percent of the population—has been cut in half, from 15.8 percent in 1990 to 7.9 percent today.

The top one percent runs the city, with Bloomberg, one of their own, at the helm. This elite rests on a wider layer of millionaires, which, according to a survey produced last summer, consists of some 667,000 people. No doubt they include not a few of the higher-paid columnists and editorial writers at the *Times*. According to the FPI study, the number of millionaires in New York City rose by 18 percent in 2009 over the previous year, a staggering rise that can be explained only by the massive amount of money poured into Wall Street in the wake of the September 2008 financial meltdown.

It is worth recalling that at the time of the bank bailout, the *Times* editorial board wasn't talking about living "within our means." Instead, it was demanding that the government make available hundreds of billions of dollars to cover the bad bets of the major financial institutions and protect the fortunes of their biggest investors.

"It is painfully clear that the financial system will not rebound on its own from the excessive lending and borrowing of the Bush years and the credit collapse in their wake," the *Times* editorialized at the time. "The one-bailout-

at-a-time approach hasn't worked. And modest steps are no longer an option."

Thus, the same newspaper that proclaimed there could be no "modest steps" in bailing out the banks now insists there can be "no easy fixes," i.e., that the working people must pay the cost.

The *Times* editorial sums up the outlook of the liberal Democratic Party establishment, including the Obama administration, and reflects the wealth-besotted social layer for which it speaks—a layer that looks on the working class with contempt and hatred.

The drastic cutbacks now being introduced, coming on top of the sharp decline in living standards for the majority of the population, near-record unemployment and historic levels of social inequality, will inevitably ignite a social firestorm.

New York City will see social struggles on a scale now being witnessed in Egypt. Millions of workers will fight to defend their jobs, their living standards, their children's education and their basic social rights against the rapacity of New York's billionaire pharaohs.

This struggle must be prepared through the creation of popular action committees in the neighborhoods and in the workplaces to resist school closures, mass layoffs and social cutbacks. Genuine resistance can be organized only if it is independent of the trade union apparatus, which is an integral part of the entire corrupt political setup, assisting in the implementation of the policies of Bloomberg, Cuomo and Obama.

The answer to the cynical demand that we live "within our means" by driving millions more into poverty lies in the fight to recover the "means" that have been robbed from society by the Wall Street plunderers.

What is needed is a socialist program, including the expropriation of the major banks, finance houses and corporations and the placing of their resources under public ownership and the democratic control of the working class. Together with a policy of taxation that places the burden of the economic crisis upon the wealthy parasites who created it, such measures will free up resources to provide jobs for the unemployed, raise living standards, and provide the funding needed to assure decent health care, quality education and a secure retirement for all.



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