

The Destruction of the Cities

The bankers who hold the major portion of the \$225 billion in outstanding state and municipal debt are now demanding a second wave of social service cutbacks to maintain the "value" of their paper. The impact of these cuts must be judged not only in relation to the danger done by last year's austerity, but decades of cheating on necessary social service costs — unbuilt subway systems and sewage and water lines, shoddy public housing, inadequate health facilities and school systems, antiquated public buildings, and so forth.

For years these deficits have accumulated with only a relatively marginal **apparent** effect on the populations. Over the last several months, there have been signs of an **immanent** total breakdown of urban life support systems as reflected in an increase in death rates in the urban centers. At this point, places such as New York have passed the point in this looting process beyond which a **total breakdown** into social and ecological holocaust can occur at **any time**. Populations in such areas are living on borrowed time. Under existing conditions, any additional cutbacks or series of cutbacks can serve to trigger that collapse. Cutting the "fat" out of budgets in reality means cutting into the bone of undercapitalized cities, insuring their rapid destruction as human life-support systems and concomitant pandemics of infectious disease.

But even if no additional cutbacks are made, the failure to immediately repair the damage done by years of debt repayment by restoring services to **1971 levels at a minimum** creates the conditions where such external factors as worldwide pandemics of infectious disease can trigger the accelerating holocaust in U.S. urban centers.

What infrastructural development took place in the cities in the post-World War II period occurred at the expense of a growing burden of debt service on cash revenues. States and localities in the industrial belts of the country were forced to pay for education, health care, and the other social services which are the basis of skilled and semi-skilled labor. Since sales, and business taxes never kept up with the cost of the necessary expenditures in an environment of monetary inflation, the states and localities were forced to saddle themselves with the interest costs of long-term bonded debt. A glance at state and municipal debt tables points up the correlation between debt and development: the major portion of outstanding debt is held by states and localities in the midwestern industrial belt, the region from Boston to Washington along the East Coast, and the southern rim stretching from the southeastern states through Texas to California.

In these same urban centers live the majority of the skilled workforce of the U.S. — the heart of the skilled labor power of the advanced sector. It is this skilled workforce that is now threatened with imminent destruction by the bankers' rape of the cities.

The growth of the debt never corresponded to an equivalent expansion of real services. New York City's \$13.2 billion debt and the \$8 billion "moral obligation" debt of the state construction agencies created by then New York Gov. Nelson

Rockefeller was largely the product of construction boondoggles erected on top of the most inflated real estate values in the world — for decades one of the most profitable investment outlets of the New York banks. Outdoing Rockefeller's Albany Mall, the city of Montreal has incurred a \$900 million deficit over the last year for the construction of an historic boondoggle — the Olympic Games site — cancelling the much needed expansion of the sewage and subway system to help foot its bills.

Cities like New York, Newark, Baltimore and Washington D.C. have had to foot the additional bill for an ever-growing welfare population, men and women thrown on the scrapheap as a result of the stagnation of the productive economy from the 1957 recession onwards. At the end of 1973 states and local governments were spending 11.5 per cent of their budgets on welfare, the second highest allotment after education, compared with around 5 per cent during the mid-1950s. Outstanding debt spiralled upward from \$44 billion at the end of 1955 to \$188 billion by the end of 1973.

From the end of 1973 onwards, debt has exploded to over \$225 billion outstanding. In at least two states, Maryland and Connecticut, state legislatures have issued reports on the exponential growth of debt in recent years — and the growing looting of cash revenues to pay debt services. In the town of Waterbury, Connecticut, a former metal, rubber, and aerospace center which never fully recovered from the last depression, 28 per cent of the budget now goes to debt-related payments. In Canada municipal and provincial borrowing abroad increased from \$500 million in 1973 to \$1.5 billion in 1974 to \$3.5 billion in 1975. The reason for this explosion is not "profligate" spending, but a self-feeding process in which the growth of debt service costs as a proportion of the budget, together with inflation, and the growing costs of welfare and unemployment, on top of a general **contraction** of revenues, leads to ever expanding deficits and more borrowing — and the further aggravation of this cycle.

Austerity is No Solution

In New York City, the Big MAC "solution" has aggravated this process to the point where in the last three months of this fiscal year, the amount of debt service that the city must pay out, if one includes the repayment of the federal loans due by June 30, will amount to nearly 80 per cent of all locally collected city revenues!

After a year of Big MAC rule, New York City is the living example of austerity-induced financial and economic breakdown. Even from a cost accounting standpoint, budget cuts have proved insane. Michael Maye, head of the Uniformed Firefighters Association, said recently that fire protection is "costing us more now." The reduction of the force by more than 27 per cent from its peak of 11,000 two and half years ago is directly responsible for the increase of multiple alarm fires in the city and delays in answering alarms, resulting injuries, and deaths. In ghetto neighborhoods, in particular, austerity is murdering scores in "apartment funerals," while entire blocks of slum housing are now routinely lost to

fires.

Until now most cities have refrained from cutting fire protection and other life-support services, but the intensification of budget crises is putting an end to that restraint. In Boston, Mayor Kevin White recently announced a new round of municipal layoffs to close the \$33 million deficit, declaring that firemen and policemen were no longer "sacrosanct" the city's 572 announced layoffs include 118 firemen and 136 policemen.

The Triaging of Health Services

The cutbacks in health care pose an immediate threat to lives and are paving the way for major pandemics. This is horrifyingly the case in the southeast, where the level of public health care is abysmally low to begin with and the resistance of the population to disease even lower. In North Carolina, health cutbacks are being dealt to a population whose protein consumption is at a seven year low. Add to that the effects of the speedup-based "recovery" of the textile industry in the Carolinas and the collapse of living standards of the chronically unemployed black workforce and this provides a rough approximation of the susceptibility of the population to disease. An article in the March 26 Raleigh News and Observer broke the story about the existence of "isolated" cases of swine flu in the southeastern states of Virginia, Mississippi, Florida, and possibly North Carolina. The spread of venereal disease, the most publicized health concern in North Carolina, is a product of both the collapse of the moral fabric of society under depression conditions and the simultaneous erosion of health standards. According to the Human Resources Secretary for the state, North Carolina is experiencing the highest rate of gonorrhoea in its history. Thirty per cent of all high school students will have one case of the disease — it is hitting even 11 and 12 year olds. The rate of syphilis has nearly doubled since 1969. Without adequate treatment, the disease could permanently impair large portions of the youth population.

Under such conditions it is clear that mooted hospital closings and medicaid cutoffs will quickly lead to the threshold for major health emergencies. In Virginia one of the major hospitals in the state faces this loss of accreditation if the proposed budget is adopted, and, as a consequence, the Medical College of Virginia is faced with a loss of funds. There have been at least two reported cases of elderly patients dying in the state because the welfare department refused to pay for the continued use of kidney machines that were keeping them alive. In South Carolina, where legislators have been fighting over what to cut in the budget, some have mooted squeezing out a four per cent raise for the teachers and state employees by postponing the planned construction of the state's second medical school and a new hospital affiliated with the medical school.

There are major health cutbacks planned for the northern industrial states including Michigan, Illinois, Maryland, New York and the most populated Canadian provinces. In New York City, where the next round of health cuts is slated for mental health, the city's Health and Hospital Corporation warned that the cuts would turn the city into "snake pit '76." In New Jersey a state official recently warned that the proposed layoff of 500 mental health workers would produce "chaos" in the mental hospitals and reverse the effort to "upgrade the hospitals, and to begin providing a staff that will make our institutions more than just custodial." One of the centers that is slated for closing is the only facility for

treating seriously disturbed children in the state. These announced cuts, like the "tightening up" of the welfare rolls throughout the U.S. and Canada, reflect a decision to abandon these sectors of the population

The Garbage Piles Up

Apart from this direct attack on health care, cutbacks in sanitation and sewage are creating the breeding grounds for the uncontrollable spread of disease. The outbreak of typhoid fever in St. Gabriel, Quebec, in mid-March dramatically illustrates the dangers of underinvestment. The outbreak was preceded by a severe epidemic of gastroenteritis in late January which weakened the population's resistance. Medical authorities traced this outbreak to breaks in the city's aqueducts and the lack of water filtration facilities. "But all this would not have occurred had the town had a water filtration plant," one doctor said.

Cutbacks in regular sanitation service pose no less of a threat. In all cities where budget crises have hit there have been substantial reductions in the collection of garbage. In Detroit, Mayor Coleman Young's proposed cuts would lead to a 30 per cent reduction in the force. In New York City the sanitation force has been reduced by 20 per cent and collections have been reduced to three and two times a week from six and three times a week. The heavier reductions of service in ghetto areas — on top of sharp reduction of rat control and other preventive programs — is not a black and Puerto Rican issue: it is sufficient to note that most of the food coming into New York City travels through the South Bronx to suggest the potential for catastrophe from cutting back services in one area of the city.

The rise in uncollected refuse is only one part of the New York story. The reduction in the sanitation department's maintenance staff from 1100 to 850 has prepared the way for breakdown of the entire system. Cutbacks in regular maintenance of expensive garbage trucks and other costly equipment has led to greater breakdowns. As a result, operational trucks are overworked and more subject to breakdown. Total "downtime" is rising faster than ever before. The number of operational trucks has dropped from 1,630 out of 1,900 in February 1975 to 1,200 out of 1,850 in February 1976. The five-year "life expectancy" of the garbage trucks is rapidly approaching three; under those standards, 40-50 per cent of the trucks on the street are now operating over "life expectancy." Highly expensive equipment is being run into the ground to save a few dollars a day.

This kind of cheating on maintenance and new capital will cost lives. New York's City Planning Commission released the next capital budget with the proviso that the funding was inadequate and that some bridges and other structures might have to be restricted to light traffic to avoid a major disaster. The Transit Authority claims that cutbacks in subway repairs have been minor and have been compensated for by productivity gains; service has been cut back, but the quality is the same!

Destruction of Education

One of the reasons that school budgets have been the first to be chopped nationally is that education appears less indispensable than fire or police protection, but the result of these cuts is no less than the destruction of the most advanced labor power in the world — on which the recovery and expansion of the world economy depends. The insanity of these cuts is seen dramatically in the new onslaught in Boston and Seattle, which are centers of technologically

advanced industries — in this case, electronics and aerospace. If implemented, the new cuts mean that the highly skilled workforce will not be reproduced.

In Boston, as in Baltimore, Montreal, and other cities where busing was made an issue by RAND Cooperation operatives, the school closings and reorganizations are going on behind the smokescreen of desegregation. In Seattle, the latest proposal is calls for the closing of five elementary schools and consolidation of two others and the assignment of principals to teach at six others.

The above trend was set in New York City where the more than 20 per cent cutbacks in the workforce has involved the forced reassignment of specialized teachers to classes where they cannot use their capabilities. Throughout the gutted system under-utilization and waste have become the norm. Yards, gyms, and other facilities go unused because there is no money for repairs. Overall budget cuts have led to the contraction of curriculum, eliminating science, art, music and other "electives"; and the "mainstreaming" of handicapped children and students needing remedial work into regular classes. A report commissioned by the American Federation of Teachers showed that in late October 1975 the New York City schools were increasingly becoming mere custodial institutions.

This destruction of education has not been reserved for urban systems. New Jersey residents who fled Newark for the suburbs of East Orange are now faced with a 50 per cent slash in teaching staff.

In Chicago Mayor Daley's hand-picked school superintendent has pushed through a scheme which will cut 8.5 per cent from the salaries of all of Chicago's 42,000 school employees by closing the schools eleven days early and eliminating five days of pay during spring vacation. The cuts stem from Governor Walker's veto of an emergency appropriation for school aid last fall.

In early February, the North Carolina state board of education chairman warned that even a one per cent across the board reduction "would disrupt the public school system more than ever before in the history of North Carolina." Over the last six months the press has called attention to the decline of the system: the Mecklenberg County (Charlotte)

task force on reading says that 40 to 53,000 Mecklenburg residents cannot pass basic reading and spelling tests. The average reading scores of sixth graders is nine months below the norm. Forty-six per cent of the high school graduates tested at a Charlotte community college were below twelfth grade level; 25 per cent of those tested were at or below eighth grade level. Of the adults tested over the last three years, around 30 per cent read at third grade levels or below. These are the rates which prevail among the tested population.

**Outstanding Debt, State plus Municipal
(national total plus selected states,
millions of dollars)**

	1957	1973
Total	53,223	188,485
Alabama	606	2,951
California	4,568	18,569
Connecticut	1,125	4,413
District of Columbia	85	1,420
Florida	1,269	5,052
Idaho	96	190
Illinois	3,152	8,633
Indiana	804	2,549
Iowa	326	1,110
Kentucky	459	3,470
Massachusetts	2,286	6,431
Michigan	1,850	6,964
Nevada	66	526
New Jersey	2,268	7,082
New York	9,765	33,589
North Carolina	814	2,042
Ohio	2,651	7,269
Oregon	460	1,984
Pennsylvania	3,543	11,837
South Carolina	434	1,373
Tennessee	963	3,286
Texas	2,948	9,613
Virginia	841	2,926
Washington	1,335	5,059