
Conference Report

American cities in 1986 face plague and internal collapse

by Marcia Merry

As of the turn of the new year, reports coming in from around the nation on the condition of U.S. cities indicate a horrifying prospect of epidemic disease, infrastructural disasters, and rampant poverty, misery, and crime—as the Gramm-Rudman budget-cutters transform the process of urban decay into outright collapse. Only a Walter Read-style, jungle-clearing approach will be able to reclaim some of the human and material wilderness that was once urban America.

Although the year-end reports of the Commerce Department, the Bureau of Labor Statistics, and other government agencies are keeping up the myth that the economy is “growing” (though the December estimate of the growth rate was lowered to 2.4%), the actual consequences of this “growth” policy is evident in the numbers of homeless, hungry, and those dying of the once-conquered disease, tuberculosis—the “white plague.”

A survey of the condition of cities in the United States was provided by the standing committees of the U.S. Conference of Mayors, which held its mid-winter meeting Jan. 22-24 in Washington, D.C., where many mayors lobbied for help against the Gramm-Rudman budget cuts, the tax reform legislation, and other measures. The following is a summary report of the facts provided by the mayors, plus other reports that document the crisis status and impoverishment of our cities.

Their reports were not without ironies. Nine out of 10 present stated their belief in the “recovery” (see box). Many cited “the financial journals” as their authority for believing in the recovery. But most also felt that the recovery was “not as strong in my area as in other areas.” But meantime, they lobbied for help for their cities, which was saying, in effect, “Please save my city from the effects of the recovery.” Here is the overall picture from their combined reports.

The most comprehensive report on the condition of cities was provided by a U.S. Conference of Mayors Task Force on Hunger and Homelessness, which issued a 45-page report, “The Growth of Hunger, Homelessness, and Poverty in America’s Cities in 1985; a 25-City Survey.” The cities surveyed contain a total official population of 21,913,588, and include many of the nation’s top 50 cities, such as, New York, Chicago, Philadelphia, Detroit, Washington, D.C., and San Juan (Puerto Rico). The survey information was assembled in December 1985.

Unemployment

According to the findings of the report’s survey of “economic conditions” prevailing in the 25 cities, “All but three of the Task Force cities reported that the ‘official’ unemployment rate does not accurately reflect the actual unemployment problem for their city. The reasons most often cited were the failure to include discouraged workers or the underemployed.”

This report confirms the *EIR Quarterly Report*’s national estimate that the real unemployment rate in the nation is running at about 20%, in contrast to the official federal government estimates of 7%.

The Mayors’ Conference report speaks in terms of the “new poor.” “Officials in more than half of the Task Force cities indicated that the number of poor residents increased during 1985. . . . All but three of the responding cities indicated that the problems of the ‘new poor’ have continued. Five cities specifically suggest that their numbers have increased.”

Although not assembled by the Mayors’ study, even the official unemployment rate for cities along the formerly industrialized Midwest manufacturing belt, from Western Pennsylvania to Illinois, shows this clearly. The official unemployment for Jeannette, Pennsylvania (east of Pittsburgh) is 17%; that of Flint, Michigan is over 20%.

The Gramm-Rudman budget cuts, combined with the effects of the expected tax reform bill, and the new five-year farm law, will have a “chain reaction of chain reactions” effect on the last remaining employment in and around cities. Without the factory orders and real services requirements generated by even low-employment in defense, agriculture, and construction sectors, all kinds of urban employment, from office work to the retail and restaurant trades, will shut down. The props holding up these categories of urban-area employment now are only various forms of real estate and other tax protection investments that are due to be undercut or wiped out in 1986.

Hunger

The 25-city Mayors’ Conference report indicates vast malnutrition and hunger. “In every Task Force city save one the overall demand for emergency food assistance increased during 1985, on average by 28%. In all but two cities, or

92% of the Task Force cities, the number of families with children requesting emergency food assistance increased during 1985, by an average of 30%.”

The Physicians' Task Force on Hunger in America, released the preliminary results of its study on hunger Jan. 13, and provided additional documentation for estimating that there are a total of 20 million Americans hungry every month.

In the 25 cities surveyed, there are 2,517 food assistance facilities. In Chicago alone, there are 650 emergency food assistance facilities. New York City runs 357; Philadelphia runs 300. Both cities routinely turn people away for lack of food availability. In Boston, there are 136 food aid facilities, and the city reports that there has been a more than 65% increase in requests for food aid by families with children. Yet, they have to be turned away for lack of supplies. In terms of the average household income in the city, rents stand at 40% to 50% of income—25% more than what is considered tolerable for a family to have proper food, clothing, heat, and education, and to be productive in the community.

Homelessness

The total number of homeless people reported to be in the 25 cities of the mayors' study is 126,300. The total number of city shelter beds is 47,198. As any city resident or tourist knows, there are people literally “living in the streets.” According to the conclusion of the survey, “The demand for emergency shelter increased in nearly nine out of 10 of the survey cities during 1985; the average increase was 25%. The demand did not decrease in any of the cities.”

Disease

The city emergency shelters themselves are creating the opportunity for disease to take hold and spread among those who are ill fed, and whose immune systems are suppressed. In Boston, during the summer of 1985, a form of drug-resistant tuberculosis was traced to a homeless shelter. Secondary forms of drug treatment, less effective, were administered. Such outbreaks are expected to become common. In addition, the shelters are harboring grounds for influenza and other contagious, debilitating illnesses.

The deteriorating conditions for those in low and middle-level income housing are also fast becoming disease centers. A recent survey by the U.S. Agriculture Department showed that the average low-income apartment in the Southeastern United States is infested with about 26,000 cockroaches—a record rate of infestation. Conditions at these latitudes are most favorable for roaches, but studies done earlier in 1985, show that the same rate of infestation is present in northern cities during the summer months. Of the 1,022 apartments surveyed, 97% were infested at levels that posed an immediate medical threat to the residents. For example, roaches can transmit bacteria causing gastroenteritis. In any case, an estimated 7-8% percent of the American population suffers



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from allergies to the fumes and molting particles of roach infestations.

In south Florida's depressed agricultural areas, such as Belle Glade and Delray Beach, medical studies show levels of exposure to mosquito-carried viruses greater than in Africa and South America. In addition, AIDS is spreading as an epidemic among non-drug using, non-homosexual residents of Belle Glade and the slums of Miami.

In Miami recently, a \$1 million rat eradication program was cut to \$80,000, and this was before Gramm-Rudman.

Infrastructure

The direction of the condition of infrastructure in the country is shown by the disease outbreaks from breakdowns in the sanitary water facilities in once-industrial cities. In 1984, both Scranton and McKeesport, Pennsylvania, had outbreaks of giardiasis from water supply breakdowns. Now, there is giardiasis in Pittsfield, Massachusetts, and for the second time, in McKeesport.

A report to the Mayors' Conference standing committee on infrastructure presented the financial and budgetary figures showing that breakdowns will be more widespread in 1986. The estimated national infrastructure requirement is

\$59 billion. Of this, in 1985, only about \$39 billion or so was met from federal and municipal bonds and budget sources. Under the Gramm-Rudman and tax reform bill's elimination of tax-exempt municipal bonds for sewage, water, and similar purposes, there will be an estimated additional \$18 to \$20 billion shortfall this year. Thus, the gap of infrastructure development and repair will be running at the rate of \$40 billion—in other words, at a rate of health-threatening breakdown.

Growing liability, less insurance

Another report to the conference reported on exorbitant rates now being asked of cities for liability insurance, covering such areas as property damage, police, fire, and errors

and omissions. As infrastructure collapses and cities decline, liability claims against cities may be expected to rise. Of 40 cities surveyed only 13% (5) said that rates for municipal insurance had not increased during the past two years, and one of those was self-insured. Of the remainder, over one-half (20), had been hit with rate increases of more than 100% on one or more policies. Sixteen of those 20 suffered rate increases of more than 200%. Said the report, "The largest rise in liability insurance premiums identified was in Davenport, Iowa . . . 3,000% in two years. . . . The city was forced to reduce its coverage. . . . Between 1983 and 1985, general liability insurance for New Castle (Pa.) rose by 400%." In Toledo, Ohio, casualty insurance went up 300% in two years—for one-third the coverage.

As a result, numerous cities are now studying self-insurance options—setting aside the funds in advance of anticipated claims. But what, then, does a city do if claims exceed the set-aside? There are other plans to form a group of cities for mutual self insurance.

Mayors puzzled by great recovery

A few comments from some of the mayors at the conference:

Jon Rogers, El Paso, Texas. "Information from financial journals says there's a recovery." Yes, oil is down. But Texas "pension people say there is a recovery." As for Gramm-Rudman, "it's going to happen." Congress voted it in, because, "this way it's automatic," and they won't have to take the blame for doing the job.

Francis X. McCauley, Quincy, Massachusetts. There is a "good economy in Massachusetts. Unemployment is below 4%. Overall the picture is not that bad." Of course, the shipyards are down. As for Gramm-Rudman, it is a "bad idea whose time has come."

Don L. Robart, Cuyahoga Falls, Ohio. The economy is bad in northeast Ohio, but in "some places" there is a recovery.

Richard L. Berkley, Kansas City, Missouri. Gramm-Rudman is "not good legislation, but it focuses in on a very real problem." It is an "ironic situation."

Baltasar Corrada-Del Rio, San Juan, Puerto Rico. Tourism should be promoted for the urban economy—pedestrian malls and so forth. "Harbor projects are a national trend."

How to administer disaster?

After presenting the 25-city survey report to Rep. Tip O'Neill, Boston Mayor Raymond Flynn reported back to his Task Force, for which he is the chairman, that the situation in Washington was "depressing." Flynn said everyone was "gutless."

However, the Mayors' Conference overall did not put forth any kind of emergency action package appropriate to the level of crisis. Most lobbied for continuation of general revenue-sharing—scheduled to be cut by Gramm-Rudman, and, in any case, already being decreased yearly.

There are less than 1,400,000 municipal workers nationally (in cities over 50,000), and with the full-scale effects of the Gramm-Rudman "depression on top of depression," 400,000 could be laid off by the fall.

In the mayors' standing committee on Urban Economics, a report was given of the expected municipal lay-offs to occur immediately:

- 18,000 police
- 8,000 firefighters
- 18,000 teachers
- 20,000 human services workers
- 26,000 street maintenance workers

According to Congressional Budget Office reports, there has been a 24% decline in federal grants to state and local governments since 1980. In Fiscal Year 1986 and 1987 there will be another 27% cut. Of the \$500 billion spent by state and local governments, \$100 billion has come from federal sources.

Over 53% of U.S. cities have an operating budget deficit and are simply carrying it over year to year. Over 43% of those cities which receive federal revenue sharing use it for their operating budget, not for capital improvements.