

# Budget-cutters look to crush unions

by H. Graham Lowry

The brutal austerity being imposed in the states of the Northeast, whose enormous budget deficits are growing at a record pace, is taking a heavy toll on state workers. At stake are not only wage levels and services, but the existence of public employee unions themselves—an intended domestic casualty of the new world order.

Connecticut Gov. Lowell Weicker has ordered the layoff of more than 3,500 public employees, nearly 7% of the state's work force, as part of his scheme to meet a \$2.5 billion deficit over the next 15 months. Connecticut's total budget is only \$7 billion. Weicker's announcement April 1 of the latest round of layoffs brings the total of such jobs to be eliminated to 29,000 in the three industrial states of New York, Connecticut, and Massachusetts alone. New York City also plans to eliminate 25,000 municipal workers over the same period.

On March 19, New York's Gov. Mario Cuomo announced that his previous projection of a \$6 billion deficit for the next fiscal year had increased by another \$435 million. He then demanded an equal amount in new spending cuts and increased taxes and fees—including a plan to charge prison inmates on work release \$7 a day for room and board!

In a telling indication of things to come, Cuomo made his announcement in the face of a massive rally outside the capitol in Albany protesting the \$4.5 billion budget cuts he had previously ordered. Dubbed "Operation Budget Storm," the demonstration was organized by the state's Black and Puerto Rican Legislative Caucus, which claimed a turnout of 35,000 people. The state began the new fiscal year April 1 without a budget, and with no prospect of early passage of one by the legislature.

## Demands for union 'givebacks'

On March 20, New York City Mayor David Dinkins announced that his own budget deficit for next year had increased from \$2.2 billion to more than \$3.1 billion. \$600 million of the increase is the result of cutbacks in state aid ordered by Cuomo. But in a meeting that day with the heads of the city's two largest unions, Dinkins demanded labor "givebacks" as the primary austerity measure to close the new gap of \$910 million.

Dinkins proposed to gouge out \$710 million from public employees' health insurance, workmen's compensation, va-

cation pay, and costs of observing work rules and other key components of the unions' contracts. The mayor had already enraged union leaders earlier in the month by demanding they agree to defer more than 40% of their recently negotiated wage increase of 3.5% in a three-year contract. The union leaders flatly rejected the demands, unless the city's businesses would accept new taxes and the state provide assistance to ease the burden.

Pressure on the unions for wage and job concessions has been building steadily, led by Municipal Assistance Corporation chairman Felix Rohatyn; his mouthpiece in the city administration, Comptroller Elizabeth Holzmann; the State Financial Control Board, which has threatened to take over the city's finances; and Governor Cuomo himself.

Cuomo declared March 26 that the state would offer no assistance in the city's fiscal crisis unless the unions agree to givebacks. "There is no conceivable way we could provide that help unless the unions made some contributions first," he said in Manhattan. Said Barry Feinstein, representing 12,000 city workers as president of Teamsters Local 237, "Somebody should remind the governor that the new hole in the city's budget is substantially due to his screwing the city." He denounced Cuomo for demanding that the unions "give blood before they give money."

## Connecticut unions under fire

In Connecticut, Governor Weicker has also taken the first steps toward ripping up union contracts for public employees. His initial budget in February called for the unions to give up about \$400 million, and roughly \$275 million will now be extracted in layoffs, givebacks, and monthly two-day shutdowns which actually translate to wage cuts.

State employees will receive no pay for the days when departments close. Losing two days every four weeks means a loss of 25 days over 50 weeks—the equivalent of five weeks' pay, or a 10% wage cut for the year for the 7,000 workers not employed in health and public safety, departments which will not be affected by Weicker's shutdown plan. \$26 million in state employee wages will disappear.

Weicker has made it clear that his assault on the unions has just begun. In his televised press conference April 1, when he announced 2,600 of the 3,500 layoffs he has ordered to date, he said they were made necessary by the "failure" of the state employee unions to offer long-term cuts in benefits and wages. To circumvent their contracts, Weicker proposes that the legislature rewrite the law governing the state pension system, so that he can slash \$130 million from the fund next year. Unions whose contracts are about to expire will be presented with demands for concessions totaling an additional \$29 million.

Layoffs will begin immediately, in some cases with as little as two weeks' notice. They are the first emergency layoffs in Connecticut since 1975, when Gov. Ella Grasso dismissed 500 state employees.