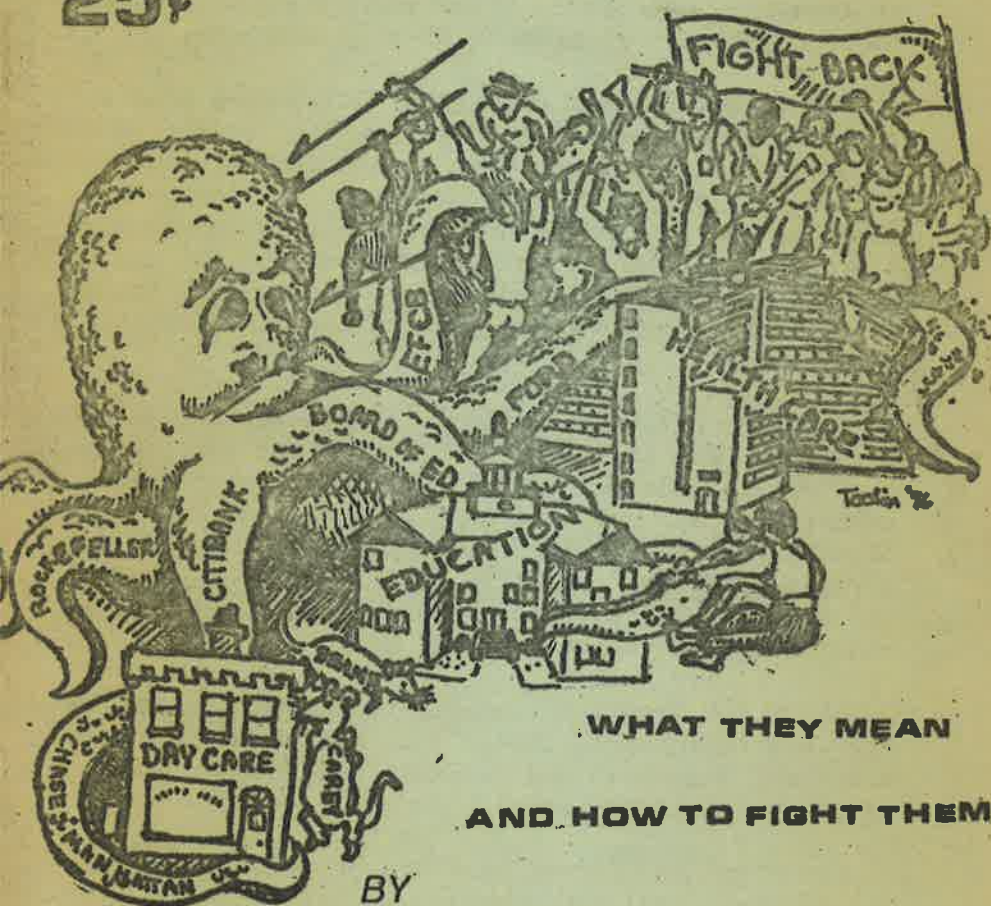


CUTBACKS IN N.Y.C.

25¢



WHAT THEY MEAN

AND HOW TO FIGHT THEM

BY

THE

WORKER-STUDENT ORGANIZING COLLECTIVE

New York City: tens of thousands of public employees laid off. . . hospitals, schools, social services cut back or closed. . . open admissions ended and tuition imposed at City University with drastic cuts in personnel, especially in programs for third world students. . . fire stations shut down. . . garbage pick-ups slashed. . . an increase in subway and bus fares. . . a decrease in the number of trains and buses.

Everybody knows about the cuts in New York; we've all been hit one way or another as workers, community residents -- especially third world communities, students, and other recipients of city services.

The Worker-Student Organizing Collective does not see the current crisis in New York City as the result of overspending through city mismanagement, corruption, or too many social welfare programs. We see it instead as the product of efforts by banks and corporations to insure their investments both in NYC and elsewhere. In other words, they want to pass their own economic crisis on to the residents and employees of NYC.

WSOC has published Cutbacks in NYC for two reasons. First, we feel it is extremely important for people in New York to understand the cutbacks -- where they are coming from and how they work. Second, we have outlined a general strategy for resistance based on our assessment of the cuts. We hope that people reading the booklet will use it in their own struggles as an educational and organizational tool.

It is not enough to analyze the situation; we must all work together to change it. What we do can have a very real impact on the cutbacks and whether they can be stopped and reversed.

The first and second sections of this booklet give the international and domestic economic context within which the cuts must be viewed. The third is specifically about New York's situation, and the fourth gives a strategy for fighting back to save our services and jobs.

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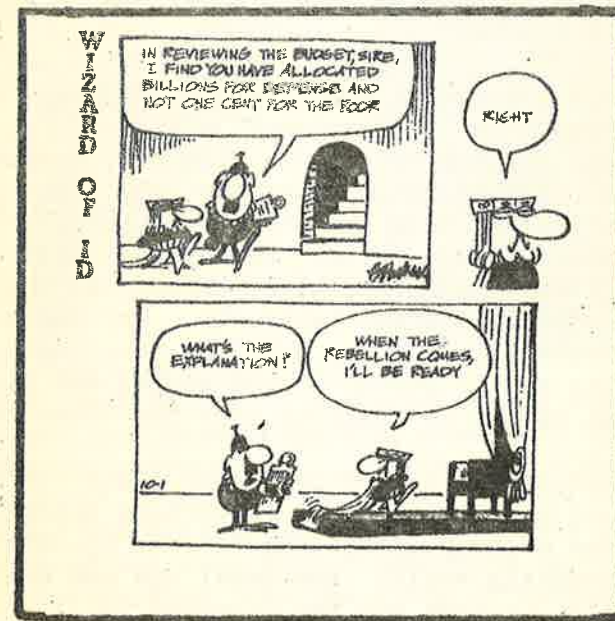
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I. THE INTERNATIONAL CRISIS

From 1945 to the 1960's, social expenditures in the United States expanded enormously. Education, day care, and public hospitals grew at an unprecedented rate as business turned to the government to provide it with an educated, healthy, available work-force. Welfare, food stamps, and other public assistance programs rapidly developed as the government took on the social costs of a reserve labor force of unemployed and underemployed workers. But this expansion did not occur spontaneously. It had its roots in the expanded role of the U.S. economy in the post-war world.

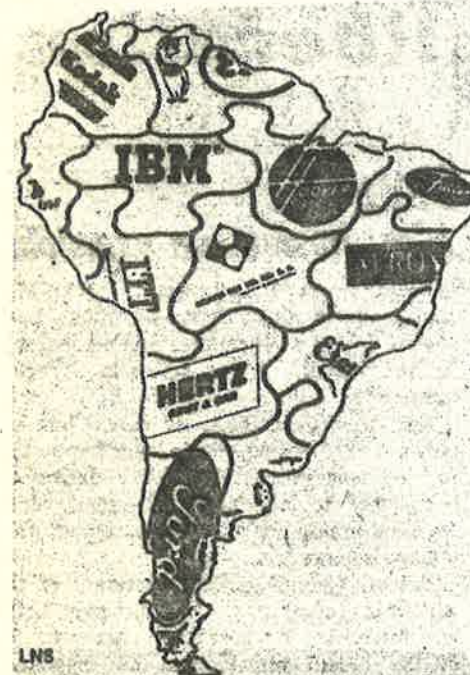
After World War II, the United States emerged as the undisputed leader of the capitalist world. Its growth coincided with the war's devastation of Western Europe and Japan, most of whose manufacturing plants and communications networks had been destroyed. Only the U.S. benefitted economically from the war. War production pulled the U.S. out of a severe depression; trade and Lend-Lease loans to its allies helped the economy even more.

Economic domination meant world supremacy, especially among the "undeveloped" nations which did not have enough capital to compete with U.S. corporate investments. U.S. foreign investment and trade jumped phenomenally, and this investment and trade were conducted under its own terms. The United States intervened militarily numerous times throughout the Third World to enforce its own interests. For the two decades following the war, the U.S. government was both banker and policeman to the world; the leader of the global empire it chose to call the "Free World".

The ever-expanding empire abroad, with its super-profits and almost unlimited investment opportunities allowed the economy within the U.S. to operate better than it normally would. The usual ups and downs of a capitalist economy and the expected falling rate of profit were lessened by this expansion and investment. Despite a constant rate of inflation which ate up much of the wages of workers, the economy between 1945 and

1968 had fewer and less severe recessions than ever before. Although one segment of the labor force, composed of women, Blacks, and other oppressed groups, continued to suffer from high unemployment and extremely low wages, to another large segment of the population the U.S. empire gave the appearance of being able to "deliver the goods".

Two important factors led to the shift of power away from the United States with a resulting downturn in the U.S. economy. The developing nations of the world increasingly began to demand control of their own resources and economies. Some of these demands involved

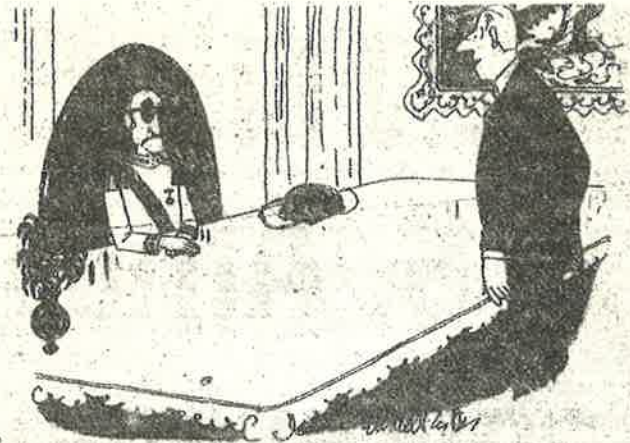


simple nationalization of resources (oil, copper, and bauxite are just three important examples) by non-revolutionary governments. In other Third World countries national liberation movements led by communists accompanied the seizure of resources. This revolutionary trend was even more threatening to U.S. investment and markets than the trend of simple nationalization. The huge expenditures on the war in Vietnam, and elsewhere, were prompted by these threats to U.S. world domination. The U.S. suffered a humiliating defeat in Indochina, demonstrating to the world

that the U.S. and its corporations could be driven out. Other Third World countries began to protect their own national and economic interests. Important markets, resources, and areas for investment were thus closed to U.S. corporate interests.

The other factor contributing to the international decline of the U.S. is competition among advanced capitalist nations. Other countries such as Japan and West Germany have economies which, over the past decade, have had much faster growth rates than the U.S. This uneven growth rate (Japan - 10% per year, Germany - 6%, U.S. - 3%) meant that although they were still economically weaker than the U.S., Japan and Western Europe began to challenge U.S. economic control both in the Third World and in their own countries. Japan's rapid growth rate pushed it up to the third largest economic power in the world. From this position it has rivalled U.S. worldwide economic power and has become the second largest investor (after the U.S.) in the Third World. These countries are able to sell goods cheaper while realizing greater profits primarily because their more recent development has permitted investment in more efficient, advanced technology while the U.S. still has money tied up in older equipment. Also, wages are lower in Japan, and Western Europe often uses migrant labor at much less cost than the native workers would demand. By selling their products for less, Japan and Western Europe have succeeded in penetrating markets traditionally dominated by the United States, including the U.S. domestic economy.

The growth rate of Western Europe and Japan was facilitated by the U.S. shouldering almost the entire military burden of protecting capitalist investment and profits. Japan and Western Europe were thus able to invest in the Third World without paying the heavy military costs necessary to protect themselves from nationalization and revolution. The U.S. took on all these expenses, including massive aid to "right-wing" dictatorships. For years the U.S. spent more abroad than it had sold, leaving foreign banks with a surplus of dollars. But the heavy military expenditures of the Indochina War finally caused the U.S. balance of payments deficit to get out of hand by August,



"My principals in Washington wish to know, Excellency, whether you would prefer to be propped up overtly or covertly."

1971, resulting in the devaluation of the U.S. dollar relative to gold in the world market. Although recently the dollar's value has somewhat improved, the devaluation meant that U.S. control in financial and banking circles had been overturned.

More recently, U.S. investment and trading partners such as Japan and Germany have themselves been badly hurt by rising oil prices and the recent worldwide recession. While the U.S. has tried to take advantage of this by increasing its own competitive edge, this cannot help but have a further negative long term effect on the U.S. economy too, due to loss of overseas markets.

Deterioration of the economic position of the U.S. in the world inevitably resulted in a sharp cutback in social expenditures, which had been funded from super-profits extorted from the empire. Both the rapid expansion of these expenditures and their recent cutback, especially in publicly funded institutions and social services, must be seen as intimately related to the fortunes of the U.S. economic and military empire. Because the U.S. is so economically dependent on the profits reaped through the exploitation of the rest of the world, the beginning of a protracted collapse of American imperialism has resulted in increased belt-tightening in the domestic economy.

II. THE DOMESTIC ECONOMY

As a domestic economic system, U.S. capitalism has always been unstable and cyclical. There have been at least 16 business cycle downturns in the American economy in the last 100 years, and we have recently seen one of the worst. Inflation is so bad that the average American working family earned less in real wages in 1975 than it did in 1964. It now costs over \$1.65 to buy what cost \$1.00 in 1967; this is the longest period of sustained inflation the country has ever endured. The credit structure is overextended and shaky. Industrial production dropped almost 10% in the first quarter of 1975. And despite the recent "recovery", real unemployment is at least 15%.



Quit Shoving

Economic downturns of this type are not accidental or unimportant features of the system; they are necessary to its maintenance. This is because capitalism operates according to the need for profit rather than for jobs or services. Continuous and sustained prosperity threatens profits. In times of prosperity unemployment is low and jobs are easy to get. Under these conditions, workers become more militant, and justifiably demand a greater share of what they produce -- cutting into profits. Labor productivity also falls, reducing both the capitalists' control and profits.

A short-term solution for the system requires that productivity be restored; inefficient enterprises cut out, and labor "disciplined". Profits keep dropping during a period of sustained prosperity. Eventually they drop low enough that investment drops drastically. Then a recession sets in which restores the basis for profitable expansion by cutting wages, increasing efficiency and increasing labor productivity. At a certain point profitable expansion is again possible as the recession "bottoms out" and the economy heads into its next "boom" period, which again leads to a subsequent "bust" (recession). This cannot be avoided under capitalist conditions of production.

On top of these short-term difficulties, there is a long-term problem which will ultimately make capitalism unworkable. This is the tendency of the rate of profit to fall. The profit rate falls over the long run because the value of anything produced depends on the number of hours of human labor contained in it. For example, a commodity which on the average takes 4 hours of labor to make will be twice as valuable as one which on the average takes only 2 hours to make. The capitalist corporation makes its profit by paying the worker less than the value of what he or she produces -- in other words, some of the hours the worker spends in producing the goods are not actually paid for, even though they seem to be according to the wage rate per hour. The wage rests cover up the fact that the worker is paid less than the value of what he or she produces -- and thus cover up the fact that some of the hours in the work day produce value which is not repaid in the wages. These surplus (or unpaid) labor hours are the source of the corporation's profit.

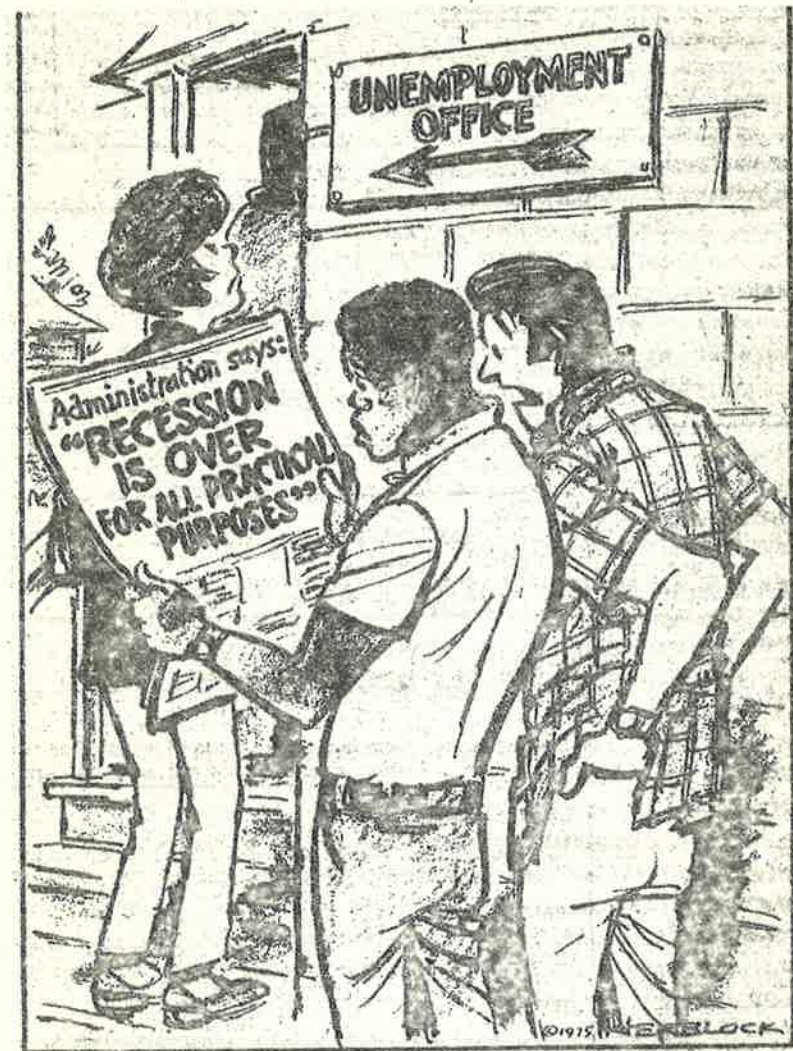
But the capitalist also tries to produce goods cheaply so he can undersell his competitors. A frequent way to do this is to increase productivity through greater automation; replacing workers with highly productive machinery. Five workers and a new machine may be able to produce the same amount of goods more cheaply than ten workers formerly could with older, less sophisticated machinery. But profits cannot be made from the surplus hours given by a

machine -- only from the surplus or unpaid labor hours of workers -- so profit rates fall over the long term as workers are replaced by machines. As more money is spent on machinery, a greater amount of money must be invested to produce the same profit. When profit rates drop enough, capitalists refuse to invest and the system stops expanding. There are other factors such as high-profit investment abroad and "increased productivity" through speed-up at home which offset this tendency of the profit rate to fall, but it always reasserts itself when they aren't around to counteract it.

Under extremely favorable international conditions such as the U.S. position after World War II, economic downturns can be eased or delayed, but they always reassert themselves. And attempts to counteract them, such as speed-up at home or exploitative investment abroad, always produce resistance. Government policies to counter this resistance, such as the huge deficit (debt) spending for military hardware abroad and social service and repression programs at home can delay, but not prevent recessions. And when they come, those that have been delayed are only worse.

The same competition that leads to increased automation also causes greater concentration of industry; huge corporations dominate small business and labor. Monopoly corporations no longer engage in price competition to gain markets. Contrary to the law of supply and demand, when demand goes down, monopoly prices will often stay the same or even rise. They almost never fall. Besides inflating prices, this causes an increasing percentage of the wealth of society to appear as monopoly profit, diverted from the competitive (non-monopoly) sectors of the economy and workers' incomes. This profit must be spent or re-invested, or it ceases to function as capital and the economy stagnates. And monopoly capitalism -- precisely because of its squeeze on consumer spending -- prevents the development of markets to absorb the high percentage of the surplus available to monopoly banks and corporations. Unless new markets and demand are found, there is a tendency toward chronic stagnation and unemployment. (Notice how the "normal"

unemployment rate in the U.S. keeps getting higher and higher?)



"It's just that they don't consider us a practical purpose."

The capitalist system must therefore continuously search for new market demand to absorb the surplus. This is a major aspect of imperialism; especially since World War II, the U.S. has sought new markets and exploitable labor and raw materials abroad. Domestically, consumers are encouraged to buy more and more on credit. Militarism and wasteful military spending have provided another important "solution" -- artificial demand created by government purchases of

military goods has been a main factor in keeping the economy running at higher than depression levels for the last 25 years. But with the U.S. empire on the decline internationally, with the credit structure overextended to the breaking point, profit rates not very high, and with domestic opposition to militarism at an all time high, the classic "solutions" have just about reached their limit. A drastic recession and consequent crisis, such as the recent one, were therefore inevitable.

Within the last few years, the U.S. capitalist system has moved into a long-term decline, both internationally and internally. The U.S. no longer controls world affairs the way it used to, and domestically the economic growth rate has been slowing down, "normal" unemployment rates are climbing, high inflation has become a way of life, etc. U.S. capitalism tries to get out of its crisis by passing it onto the working class in the U.S. and its competitors abroad. The international competition has gotten so extreme that Kissinger, Reagan, and others have been making war threats over issues in Southern Africa, the Mid-East, Puerto Rico, and the Panama Canal.

At home the crisis means increased repression. This takes the form of an attack on the labor movement and cutbacks in services for working people and minorities. This attack has been made much easier by racism. Racism is the product of a national oppression of minority peoples that has played a crucial role in the historical development of the American economy. Minority workers are consistently put in the position of "last hired, first fired", generally occupy the lowest paying and most degrading jobs, and face a severe and special social oppression in all walks of life. This super-exploitation of Third World workers creates a division in the working class that of course hurts minorities most, but also holds down the wages and living standards of workers as a whole. Especially in periods of recession and depression, this division is used to further divide workers in their attempts at resistance to cutbacks and layoffs. Instead of focusing resistance against the system many white workers have blamed Blacks or minorities. This has led to

the growth of racist and right wing movements such as ROAR in Boston and other northern cities, and the resurgence of older fascist and pre-fascist organizations, such as the Ku Klux Klan, the American Nazi Party, and the John Birch Society. On top of this division and weakness, the U.S. government has pushed for repressive measures such as Senate Bill S-1 and the use of grand juries for forced questioning. In sum, the working class and its allies have come under increasing political attack as a result of the economic crisis.

In contrast, a socialist society, which produced to satisfy human needs rather than for the sake of maximum profits, would have none of these problems inherent in our monopoly capitalist society. No planned socialist economy ever has periodic recessions and depressions, unemployment, built-in militarism and imperialism abroad to keep demand high, or built-in racism at home. A socialist U.S. would also not have severe budget cuts and crises such as New York City now faces.

Under capitalism, however, government budgets have been in the red for years because of the government's role in a monopoly capitalist economy. It has two main functions: to aid the growth and expansion (the "capital accumulation") of the monopoly corporations and to legitimize the economy and society to the rest of the population (or else to repress it if that doesn't work). In the first place, the government takes over the unprofitable expenses necessary for the profitable expansion of the large corporations (for example, education, research and development, job training, roads and transport facilities, etc.). But secondly, U.S. capitalism fails to meet people's needs; this is especially true for women and minorities but it is valid to some degree for all working people. Social protest and struggles by people fighting back against the oppressive conditions of their lives also force the state to attempt to legitimize society. Thus, the government also must take over the expense of caring for the victims of a monopoly capitalist society with welfare, public hospitals, food stamps, old age assistance and the like. These require increasing government expenditures, especially



Pete Wagner, Minnesota Daily

"It's very simple, if you're thin enough to fit through this space, we figure you're eligible for food stamps."
 in the cities where most of the victims live, where resistance and struggle are the strongest, and where so many of the irrationalities of the system are most acute.

But there is not a corresponding increase in state revenues to match the increased expenditures. Monopolies avoid taxes or pass them on in higher prices, and the rest of the population is unable to bear the heavier tax burden. There is a continuous and growing "structural gap" between government expenditures and income, especially at the city level. The expenses of capitalism have been given to the government, but the profits continue to be reaped by private corporations and banks. The government goes deeper and deeper into debt.



III. CITY IN CRISIS

Especially in times of recession, the budget crisis becomes acute. The government responds by seeking more loans from banks, which increases its already gigantic debt, and by cutting back in social services and laying off workers. This is what happened in New York City.

In the 1960's, the demands of oppressed groups, expressed in demonstrations and ghetto riots, led to the development of badly needed social welfare programs at all levels of government - for example, the federal government's Model Cities program and New York State's various housing agencies. New York City expanded its own social welfare expenditures enormously, constructing new schools and colleges, starting many new public health projects, providing large sums for the improvement of the transportation system, constructing new cultural centers and beginning many other programs.

Across the country, labor fought for a portion of the economic prosperity of the mid-1960's. This spirit of militance inspired all sectors of city employees, who won significant wage increases and decent pension programs. Increased social welfare spending also increased the city's payroll through the employment of people needed to work these programs. By the end of the decade the city-employed work force had more than doubled.

In order to finance these things, New York's budget had to expand. The large city budget is theoretically divided into an 'expense' budget and a 'capital' budget. The expense budget covers operating costs: payrolls, maintenance for the city services (e.g., road repairs), and minor construction. The capital budget is used primarily to pay interest costs on the city's municipal bonds and periodically to buy back outstanding bonds. Real estate taxes, business franchise taxes, personal income taxes and other revenues provide the city's income.

Another source of money for the city, the source that would eventually spark off the crisis, is the

issuing ("floating") of various city financial obligations, called municipal bonds. These are, in effect, loans from the purchasers of these bonds to the city, paying a fixed rate of interest twice yearly and due at a specified date. It should be emphasized that this interest is free from all income taxes.

The bonds are "floated" through sale to the highest competitive bidder among three or four bank syndicates composed of major banks and Wall Street firms. The syndicate which has handled most of the city's issues is headed by the Rockefeller-controlled Chase Manhattan Bank. Syndicates sell the bonds to interested buyers, that is, banks, insurance companies, and wealthy individuals. (The smallest denomination for city bonds is \$5,000, which effectively restricts their sales to the wealthy).

The city used this method of obtaining funds since the 1800's without any trouble. The great increase in spending in the 1960's, however, caused an enormous expansion in the amount of city notes outstanding. Had the economy remained strong, this might not have caused severe problems. But as the economy began its downslide, New York City's financial structure began to crumble.

With the sharp rise in the inflation rate, the banks increased the interest rates. Every time the city issued bonds it had to pay higher and higher interest costs, putting a heavy strain on the city's capital budget. The issue of late 1974 went for the extremely high rate of slightly over 9%. Since most bond owners are in a 50% tax bracket, a taxable bond would have to pay the incredible rate of 18% to yield the same return. This is legalized loan sharking at its finest. To make matters worse, the taxes the rich dodge by purchasing these bonds have to be made up from taxes out of our pockets.

The inflation did more than raise interest rates for the city. It also increased costs the city had to pay out of its expense budget, and most importantly, increased taxpayer's costs. As the economy slid closer and closer to depression and more people were out of work, revenues from the city's business fran-

chise and income taxes were unable to make up the difference and threatened to drop themselves.

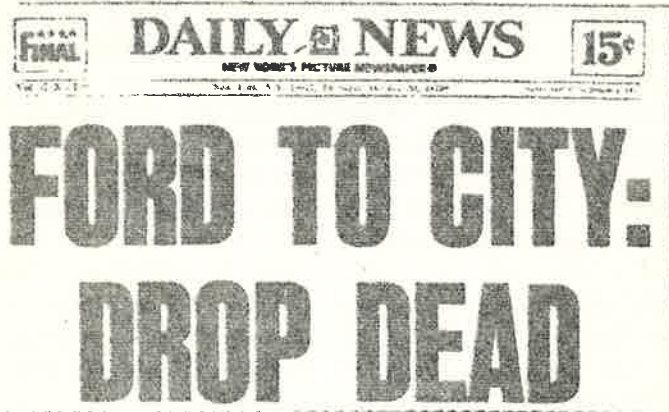
Thus the city's costs were sharply rising while the tax base was contracting and income declining. City officials began to dig into the capital budget to cover deficits in the expense budget, to cut sharply into essential services (hospitals, schools, etc.), and to "roll over" city bonds as they came due -- that is, issue new notes and bonds and pay the old ones from the proceeds.

The sale of the 9% bonds of late 1974 was the last large issue of city bonds and set a dangerous precedent for the future. The banks, aware of the city's problems, and blaming the large social service expenditures of the 1960's for the downturn of the economy, were able to dictate their own terms to the city. Instead of bidding separately as they had in the past, the banks united and presented only the 9% bid, several points higher than was usual for the time. The city was forced to accept.



The same situation occurred in the spring of 1975 and sparked the crisis. The city had to have money to pay both a payroll and \$100,000,000 in notes coming due. This time the banks refused to bid. Beame then went to both the state and federal

governments, hoping for money to cover the amounts due. Both turned him down.



The banks were determined to push the city to the brink so that they could win control of the city's budget and guarantee their interest payments. The various branches of government were sure that the banks would back down, afraid of the city's declaring bankruptcy, which would mean massive losses and probably the collapse of a few major banks. But the banks won.

The Municipal Assistance Corporation (MAC), formed on June 10, 1975, represented a real victory for the banks. MAC took over the city's debt and issued bonds of its own. It was also given total control over the city's budget, including the power to veto any expenditures it saw fit. From its inception MAC was composed almost entirely of bankers and corporate heads. Even the pretence of democratic government was thrown overboard; the bankers and corporate heads of the capitalist class openly took power to force massive social cutbacks and layoffs on the rest of us. This was a task that no elected official could risk.

But even MAC was unable to fund itself in a few months. Mayor Beame and MAC turned to the state government for help. On September 10, 1975 the state came through with \$750 million in loans - but in exchange Governor Carey demanded and won the creation of a new board responsible to state government rather

than the city government. The Emergency Financial Control Board (EFCB) took over MAC's function of running the city's finances, leaving MAC to continue to issue bonds.

The same law which created the EFCB made a wage freeze for all city employees into a state law; the EFCB was given power to continue this indefinitely. The EFCB was composed of Governor Carey, Mayor Beame, the state and city controllers, and three appointees of Carey: William Ellinghaus (Pres., N.Y. Telephone, and straight from MAC), David Margolis (Pres., Colt Industries - maker of guns), and the president of American Airlines - who was later replaced by MAC's big gun, Wall Street banker Felix Rohatyn. The EFCB is basically MAC all over again, with the addition of Governor Carey and several of his friends. It is still a junta of bankers and corporate capitalists whose job it is to ram through cutbacks and layoffs on a scale that no elected official could openly dare to do.

At the very end of 1975, the federal government finally came through with a loan (at 8% interest) to prevent a city default. Expressing their satisfaction at the tremendous cuts MAC and EFCB had already forced on the city, President Ford and Treasury Secretary Simon urged these agencies on to make further cuts so that the city would continue to prove itself "responsible" enough for any further loans.

It is important that we all realize what has happened in the city. The combined pressures of various oppressed groups within American society and the partial collapse of its economic empire at home and abroad forced the capitalist class to take power openly into its own hands, tossing aside the politicians who have served as window dressing for so long.

CUTTING BACK AND FIGHTING BACK

Those who control society and the city have decided on a period of sharp decreases in social services and jobs. As early as July 1975, MAC demanded that 37,000 workers be fired. The EFCB 3-year plan will last until September of 1978, meaning that a continuous series

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of cutbacks at about the present rate can be expected for several years more. Virtually all sectors of the city's economy have been and will continue to be hit.

(The following summary of the cutbacks and resistance to them only covers the period through the late summer of 1976, the time when this booklet was produced. Obviously it will become dated very quickly.)

SANITATION

When the summer '75 layoffs hit the sanitation department, the sanitation men walked off the job immediately. Union leader John De Lurie at first waffled; then ordered them back to work telling them his union lawyers would win in the courts. The court suit was lost -- the ruling was that the city could even break union contract provisions against layoffs since this was a "crisis" -- and De Lurie caved in completely. He even went so far as to take union money to pay for lost wages. From that time to the present, the Sanitationmen's Association has offered no resistance to the cuts, despite layoffs, speed-up, and worsened service to the communities.

PRIMARY AND SECONDARY EDUCATION

Public elementary and secondary education in the city also have been seriously damaged by budget cuts. Beginning in January 1975, reductions were made in school personnel through attrition. In July 1975 massive layoffs of teachers, guidance counselors, para-professionals, etc., began. By mid-September, more than 12,000 teachers had lost their jobs. More layoffs were made in February. As of March, 1976, total layoffs of school staff and other Board of Education personnel came to 21,840 positions. Since layoffs affected teachers with less than five years of work in the N.Y.C. school system, a very large percentage of the Black and Hispanic teachers lost their jobs.

Needless to say, these layoffs have affected the quality of public education in the city. Many "special" services and programs have been eliminated completely, children and teachers have been moved around like pawns in a chess game, and instructional time has

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been shortened by 90 minutes per week.

The teacher's strike in the fall of 1975 was pushed for by rank and file teachers angered by the July layoffs and the resulting increases in class sizes and reduction in school periods to prepare for classes. United Federation of Teacher leader Albert Shanker was against the strike from the beginning, but went along with it due to growing pressure from within the union.



It should be noted that the cutting out of preparation periods is a form of increased productivity, or speed-up. This in turn allows a reduction in staff size (layoffs) to take place. This demand of increased productivity out of the remaining teachers was the first in a series of similar demands on the workers of the city. It was a foreshadowing of a cutback trend that involves squeezing more and more work out of fewer and fewer workers.

Not much was gained from the strike, however, due to Shanker's complete collusion with the Board of Education and the bankers at the bargaining table. He completely sold out the majority of the membership of the UFT, "winning" only meagre gains for a small number of teachers who had been in the school system

more than 10 years. Rank and file teachers found, upon returning to school, that the issues they had been raising on picket lines - namely, layoffs, and the opportunity to provide a decent education for their students - had never been discussed at the bargaining table.

Not only were the layoffs accepted, but Shanker and the bosses arranged to have the reductions in preparation time passed on to the children as reduction in their learning time. Two thousand teachers were rehired with money "saved" by the Board of Education from strike fines and penalties. Even the raises that were gained for those teachers who remained were largely struck down by the EFCB in late September.

Shanker's complete cooperation with the EFCB was further demonstrated in October when he invested \$150 million of teachers' pension funds in MAC bonds that no sane banker would touch at that point.

Shanker and the Board of Education spent most of the winter lobbying for the passage of the Goodman-Stavisky Bill by the state legislature. This bill is supposed to guarantee funds for education by preventing it from being hit worse by cutbacks than other sectors of the economy. This lobbying effort took the focus of struggle completely away from rank and file teachers, and out of the city altogether. It is also the kind of strategy that would ultimately divide teachers from the rest of the workers in the city, since if ever put into practice it would necessitate increased cuts in other city services in order to increase the education budget. The bill was ultimately struck down by the courts as unconstitutional and unenforceable, so it has had no real effect, other than that of diverting attention away from the real issues.

Parents in some of the city school districts, however, fought the cuts in a militant fashion. They sat in at school offices, demanding the restoration of a full school day. In spite of arrests, the parents were temporarily successful in their struggle. Community School Boards 3 and 5 extended their school days, only to be superseded by Education Commissioner Anker. Shanker, of course, ignored these efforts by parents

completely.

DAYCARE

The drastic cuts in daycare are some of the most recent cuts made in a social service in the city. Forty nine centers were closed late in the spring of 1976, throwing many daycare workers out of jobs, and of course ending a service vital to the well-being of hundred of children and mothers. The centers were closed because they were "too expensive" to run. Money-consciousness has not, however, prevented the city government from paying exorbitant rent to landlords for direct-lease daycare centers, many of which have not yet been certified as safe for children. The lack of daycare will force many women to leave jobs, some with no recourse but to rely on public assistance, such as welfare. This will certainly not save money for the city. This all makes more sense, however, if we look at daycare as a gain only recently won by women in this city and all over the nation. It is a gain that the people who run the city are only too glad to take back in the budget crisis period. As a matter of fact, daycare is now being cut nationwide. This serves to force many women out of the workforce in a period of high unemployment, thus keeping the "official" unemployment rates lower.

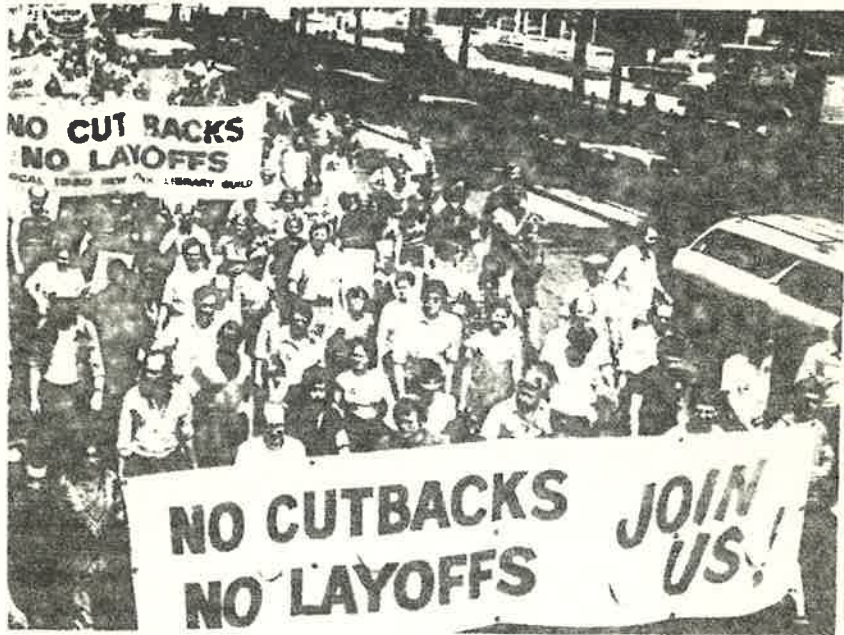
There has been resistance to the cuts in daycare in the city, but it has been mainly unsuccessful. On June 8, 1976, 8,000 people - workers, parents, and children - demonstrated at City Hall to protest cuts in education, and specifically daycare. A June 1976 court suit kept several centers open for a few weeks, but was ultimately decided against the workers and parents.

TRANSIT

In September of 1975, the subway fare was jumped from 35¢ to 50¢. Several city-wide coalitions attempted to fight the fare increases by organizing a massive rush-hour refusal to pay. Sporadically for a week such actions were held, but they all failed to sustain any prolonged resistance. One of the major failings of all these attempts (in addition to relying on an unorganized, spontaneous reaction) was lack of any

link-up with transit workers on the issue. The union has not really taken the fare increase on as an issue either.

The old contract between the Transit Authority and the Transport Worker's Union (TWU) expired March 31, 1976. In their negotiations, the Transit Authority demanded many cutbacks and speed-ups through changes in the work rules. Their proposal was an all-out assault on the old contract. The union was basically fighting to stand still: demanding an unlimited cost-of-living adjustment (COLA) and no major changes in work rules or loss of benefits. An April 1 strike was averted by hours when the Transit Authority agreed to the COLA and no other major changes. Also, as with the old contract, the new contract guaranteed no layoffs. Approximately a month later, however, the EFCB



modified the contract by formally tying any COLA increases to productivity increases (speed-up) and by deferring part of the COLA. The tying of the COLA to speed-up set a precedent for attacks on all the city unions later on. At this point union leader Mat Guinan gave in; instead of fighting to retain the minimal "break even" contract he had negotiated, he tried to sell the new EFCB restrictions to his mem-

bership as a "victory". Although its membership has suffered no layoffs, the TWU has not waged a real fight against the cutbacks, and it is now actively working with the Transit Authority to "increase productivity" through a speed-up on its own membership.

CITY UNIVERSITY OF NEW YORK

City University of New York (CUNY) has also been severely hit by the cutbacks. Open admissions, which guaranteed college entrance to any high school graduate, has been destroyed. Tuition has been imposed, and drastic cuts in teaching and other personnel still continue.

Several citywide coalitions of CUNY campuses against the cuts were attempted during the '75-'76 school year. One of these, CUNY United for Action (CUFA), correctly aimed its attack against the EFCB as the source of the cuts. However, it lack a mass base on most of the campuses it represented because very little local organizing had been done. As a result it failed to organize students on a long range basis, and ultimately fell apart.

On several individual campuses, fairly strong resistance did emerge - especially some of the community colleges like Hostos, Medgar Evers, and York. Most notable was Hostos, where community, faculty, and student support led to a takeover which ultimately saved the school for at least one more year. At City College a 3-day student strike was attempted. And other actions, such as a takeover at Lehman College, an attempted strike at Bronx Community College, a sit-in at Queens College, etc., also took place, although none were particularly successful. The teacher's union, the Professional Staff Congress (PSC), has done little to resist the cuts, other than legal maneuvers and one demonstration after the schools were completely closed.

In late May of 1976, the Board of Higher Education shut the entire university down because it said it couldn't meet the payroll. In early June, tuition was imposed as a condition for re-opening the schools

(open admissions had already been destroyed several months earlier).

The cuts of the '75-'76 school year are only the first wave of a 3-year plan which will eliminate entire schools, decimate the faculty, and cut education even further. Two more years of equally harsh cutbacks are contemplated, as enrollment and programs continue to fall.

THE COMPREHENSIVE EMPLOYMENT AND TRAINING ACT PROGRAM

The Comprehensive Employment and Training Act (CETA) was enacted by Congress in 1973 to provide jobs for the hard core unemployed such as veterans, welfare recipients, minorities, older workers, etc. From its inception the CETA program was used by the city to divide and attack workers. At first they used lower-paid, federally funded CETA workers to replace unionized civil servants. The union, District Council 37 of the American Federation of State, County and Municipal Employees (AFSCME), forced an end to this with a court suit, since this went explicitly against CETA regulations.



However, the city has still used CETA funds to hire people into titles very similar to comparable civil servant titles. Instead of organizing CETA workers and attempting to defend their interests along with those of all workers, Victor Gotbaum of DC 37 has used the fiscal crisis to demand that CETA workers be fired so he can replace them with laid-off civil servants from his own union. Even though CETA jobs were guaranteed for at least one year, many workers hired in 1975 were laid off August 3, 1975 in accordance with Gotbaum's wishes. The CETA workers were laid off of the federally funded program so the city could use that money to put laid-off civil servants back to work.

A rank and file group of CETA workers, the CETA Worker's Action Committee (CWAC) was formed. After losing a court suit on a technicality, they realized that they would win nothing through "normal channels" so they took matters into their own hands. They had four militant demonstrations (sit-ins) at the U.S. Dept. of Labor -- several with hundreds of people. These sit-ins, despite busts and repression, saved approximately 15,000 jobs and prevented the further use of CETA funds against their original purpose.

Despite the divisive actions of the union leadership, CWAC has taken a pro-union stance while opposing the misleadership of Gotbaum. It encourages CETA workers to join the union, join with rank and file caucuses against Gotbaum's misleadership, and fight to defend the jobs of all city workers, CETA and non-CETA alike. It has also demanded permanent, socially useful jobs not in any way comparable to the jobs of present civil servants, thus fighting any attempt by the city to use the CETA program to provide scab labor to weaken or break the union. This principled stand in the interests of all workers can be sharply contrasted with the behavior of Gotbaum and the DC 37 leaders, who have divided worker from worker, and attacked CETA workers as a whole. It should also be noted that CWAC, small and weak as it is, has saved thousands of jobs for CETA workers, while Gotbaum's policies have resulted in the layoffs of tens of thousands of the union membership.

As of July 1, 1976, with the new DC 37 contract Gotbaum negotiated, CETA workers, along with civil servants, are now subject to a productivity clause, which will determine the amount of a cost-of-living-adjustment (COLA) they are to receive. A speed-up will occur, some people will be laid off and those salaries will be used to give others their COLAs. Then the laid off civil servants will bump CETA workers out of their jobs under the policy of last hired, first fired. Since 3/4 of all CETA workers are minorities, Gotbaum's policies also mean a racial attack on oppressed nationalities, in addition to pitting worker against worker. CWAC is pledged to fight these divisive policies, both within and without the union.

MUNICIPAL WORKERS (DISTRICT COUNCIL 37)

Some of the heaviest cuts have come down on the municipal workers, most of whom are represented by District Council 37 of AFSCME. AFSCME workers are in many different sectors - municipal hospitals, office workers, custodial workers, daycare workers, etc. AFSCME in New York has lost 30,000 of its 200,000 membership in permanent layoffs since summer '75. Almost all of these workers are in DC 37, headed by Victor Gotbaum. Originally, before the July '75 layoffs began, Gotbaum made some fine-sounding noises: he threatened a strike and even pointed toward the real enemy by organizing a demonstration in front of the First National City Bank. However, since July '75 Gotbaum has been actively helping to implement cuts and destroy his own union: he has consistently misinformed his own membership about the extent and nature of the layoffs; he has gone along with demands for "productivity increases" (speed-up); he has invested union pension money in bonds that the banks and private investors wouldn't touch with a 10-foot pole; he has refused to unite with other unions for a united joint resistance to cuts; he has done absolutely nothing to mobilize his membership, but instead has relied on backroom negotiations; and worst of all, he has attacked unorganized workers such as the city "provisional" workers and those on the federally-funded CETA program by demanding that they be



"Gentlemen, in times like these we must all make sacrifices—let's lay off another 500."

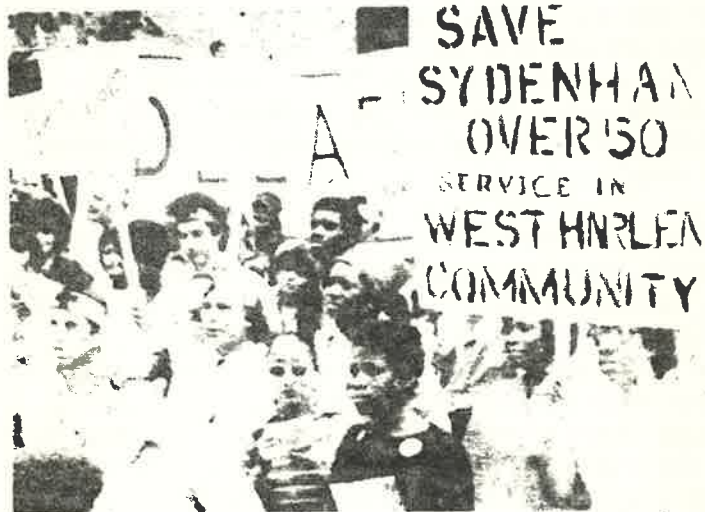
fired so he can replace them with laid-off civil servants of his own union. Every "divide and conquer" scheme of MAC and the EFCB has been actively implemented by Gotbaum -- he has played off one type of worker against another so fully that he has severely weakened the entire New York labor movement and decimated his own union in the process. The result is approximately 15% of his membership laid off permanently, with many more coming in the future.

The July 1, 1976 contract negotiations are a perfect example. DC 37 made no strike preparations beyond the initial vote and loose talk at the delegate level; the membership was not even consulted, much less mobilized. Gotbaum made no attempt to unite and coordinate with Local 1199 of the Hospital Union, even though their contracts expired at the same time. Without the force of a strike threat or a mobilized rank and file behind him, he won nothing at the bargaining table and gave up a great deal. A meagre COLA

is tied entirely to productivity increases (speed-up), which means more layoffs, pension money was lost despite lies to his membership that this isn't so, and no guarantees about further layoffs were made. Having won nothing and lost plenty, Gotbaum had the nerve to call the new contract "not only the best we could get, but pretty good".

HOSPITALS

One target of the cuts, with life-or-death consequences to both workers and community residents, is the municipal hospital system. The Health and Hospitals Corporation (HHC), a quasi-public agency responsible for running the municipal hospitals, was ordered to make drastic reductions or be dismantled. The HHC Board decided to implement a program of cutbacks, layoffs, and in some cases, completely closing whole hospitals. Rather than show all their cards at once, they announced cuts and closings one or two at a time. Thus, different job categories were told that one might stay at the expense of another, communities were pitted against each other as they tried to save their own hospitals, and tensions developed between overworked staff threatened with loss of jobs and frightened communities already faced with inadequate services. In this way, the unity necessary for an effective fightback was destroyed.



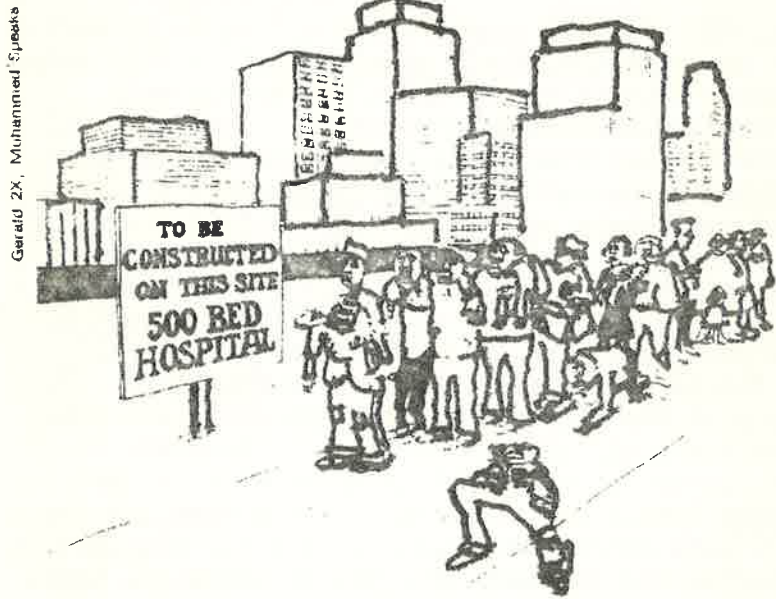
Community residents were mobilized, sometimes by

anti-poverty agencies and local politicians. Competition between agencies and reliance on publicity and politicians rather than workers' and communities' power made opposition unsuccessful despite a 3½ month sit-in at Fordham Hospital and a shorter one in Gouverneur.

Local 420 of DC 37 made a token effort to protest, but the investment of their pension fund in city notes and similar actions by the union leadership made strong resistance next to impossible. Otherwise militant workers were frequently misinformed of the extent and nature of the cuts by union leadership, and were sold out completely up through July of 1976. Finally in August of '76, when the city announced 1350 more layoffs on top of the thousands already made, rank and file pressure forced the leaders of Local 420 and DC 37 to call a strike. The 18,000 members of Local 420 struck the 16 municipal hospitals for four days. The militancy on the picketlines was very good, and grew stronger every day the strike lasted. However, DC 37 leaders Victor Gotbaum and Lillian Roberts refused to pull other locals of the union out on strike, so the strikers were rather isolated. In the end all layoffs were averted for the rest of 1976; in exchange, Local 420 gave up a 4% COLA amounting to \$10 million. The city suddenly "found" \$5 million they claimed not to have before, and the state kicked in another \$5 million which also supposedly didn't exist before the strike. The strike was definitely not a victory -- giving up the COLA meant that every worker in effect took a 4% pay cut -- but neither was it as bad as things would have been without it -- all layoffs were temporarily stopped. The strike gives the union time to prepare for a massive all-out effort in the early 1977 period, when cuts will be attempted again. Unfortunately, the union leadership is unlikely to do this -- as usual they did almost everything they could to hold back this past strike.

The plan now expected to be effected by the end of fiscal year 1977 involves closing all services except outpatient departments of Sydenham and Gouverneur Hospitals, completely closing Delafield, Morrisania, Lincoln, Fordham, Greenpoint, and Cumberland

Hospitals, opening New Lincoln, North Central Bronx, and Woodhull Hospitals to less than capacity, closing two neighborhood family care centers, cutting services from other hospitals, and excluding patients unable to pay or bringing legal action against patients whose bills are not paid.



The private hospitals have also used the city crisis as an excuse to attack their workers and its union, Local 1199. Prior to July 1, 1976, 1199 had suffered 300 layoffs due to the crisis (DC 37 in the city hospitals had lost thousands). When the July 1, 1976 contract negotiations approached, the League of Voluntary Hospitals demanded a 3 year contract with a wage freeze (and no COLA), an elimination of the employers' $3\frac{1}{2}\%$ contribution to the union health fund (so that 1199 members would have to pay entirely for their own medical insurance and health care), and other assaults on the old contract.

1199 demanded a \$20 per week increase for all members (or 10%, whichever is higher), a COLA similar to the previous year, 4 weeks paid vacation, an increase in the health fund, etc. Prior to the July 1 deadline, a federal fact finding commission had recommended a COLA and sending everything else to binding arbitration. The union agreed; the hospitals refused. On

July 7 the union went on strike; the strike lasted 11 days, with a great deal of militancy on the picketline -- over 130 picketers were arrested. The union demanded binding arbitration on all issues; eventually the hospitals agreed. The likely result is a COLA with little else changed.

Since Shanker's sham teacher's strike in Sept. 1975, the 1199 strike was the first one to oppose the cut-backs since they began. This is significant, and 1199 has displayed some strengths which other unions have lacked: there were definite preparations made for the strike (unlike DC 37), there is a militant and combative membership, some degree of rank and file participation allowed, and an unwillingness to lose a large proportion of the union membership. Most important, the militant spirit of the 1199 membership has been the guarantee that it would not lose as badly as other unions. Nevertheless, the negative aspects of the role of 1199 President Leon Davis and the rest of the union leadership must be noted: 1) no attempt to link 1199's contract struggle with that of DC 37 was made, 2) no attempt was even made to raise a guarantee of no further layoffs as a contract issue, 3) no systematic attempt to educate the rank and file about the real issues underlying the city crisis was made, 4) with some significant exceptions on the local level, no attempt to link up the interests of health workers with health care recipients has been made (for example, 1199 has not really supported the community struggles to save hospitals in low income areas, has called for higher Blue Cross payments instead of exposing and fighting profiteering within the medical insurance system, etc.), and 5) Leon Davis has consistently relied on the Democratic Party and politicians like Governor Carey (to whom 1199 gave a great deal of campaign money) to look after the interests of his members, even though these same politicians consistently screw both 1199 and all working people.

SUMMARY OF THE ROLE OF THE UNIONS AND THEIR LEADERSHIP TO DATE

The individual roles that the union leaderships have been playing in the movement against the cut-

backs have been pretty self-evident from our preceding summary. Their joint activities have been similar. In October 1975, Mayor Beame told union leaders Albert Shanker (UFT), John De Lurie (Sanit. Assoc.), Ken McFeeley (Patrolman's Benevolent Assoc.), Barry Feinstein (Teamsters), and Victor Gotbaum (DC 37) how devastating the cuts would be. This raised a lot of big talk and on Oct. 9 Feinstein said he would ask the Municipal Labor Committee to authorize a general strike against the cuts. This was all hot air -- led by Gotbaum and Shanker, all the other union heads disclaimed any idea of a general strike (practically the only method for the unions to win), and instead stuck their heads in the sand. And Harry Van Arsdale, the corrupt taxi union leader who heads the AFL-CIO Municipal Labor Council, got on TV and denounced the idea of a general strike, making it clear that the official AFL-CIO structure was against it.



Albert Shanker of the UFT and Victor Gotbaum of DC 37 have played absolutely despicable roles: saving jobs and salaries only for an inner core of older workers in their unions with high seniority, they have gone along with every MAC and EFCB trick in the book to divide worker against worker and the public against the workers. The result is that Shanker has lost 20% of his membership (all young and many minorities) and Gotbaum has lost 15% of his (so far). They have badly divided and weakened the struggle, harming the public and all workers in New York City.

Shanker especially has relied on white racism to divide the workers and to build himself a base within the UFT of older, all-white teachers with long seniority. This group is his real strong base of support, not the entire union. A relatively small group of all-white teachers with years and years of seniority and salaries of \$20,000 or over supplies the social base of union "leaders" like Shanker.

Gotbaum has also acted as a sell-out labor bureaucrat, but the base within his union for such policies is much thinner than is Shanker's. A large percentage of DC 37 membership are not that privileged: they make between \$7,000 and \$15,000 per year and many of them are also minorities. With an organized opposition within the union, he could be forced to change his policies and/or be booted out, much more easily than Shanker could. So far, however, the organized rank and file opposition has not materialized in great enough strength.

Other union leaders such as John De Lurie (Sanit.) and Barry Feinstein (Teamsters) have recently been dealing with the cuts by ignoring them. Guinan of TWU demanded at first that his union at least be allowed to stand still; but then caved in to the EFCB and is now speeding up his own membership. And even Leon Davis of 1199, perhaps the most "militant" leader, has not taken a class-wide approach, which is the only key to victory. None of these leaders, not even the best, can in any way be relied on to lead or even participate positively in a movement against the cuts. By March of 1976, MAC and EFCB's big brain -- Wall Street banker Felix Rohatyn -- was saying that he was "very impressed" with New York's union leaders -- especially Victor Gotbaum. Rohatyn is of course "impressed" at how readily the union leadership has been willing to sell out its membership and the public at large so that the city can pay off its debts to the banks.

Equally tragic for the state of our movement against the cuts is the present level of development of rank and file movements which do have a better perspective. As far as we are aware, there is no rank and file movement in Sanitation or the Firemen, and

next to none of Transit and the N.Y. Teamsters. There are several rank and file groups in DC 37 and Local 1199, but none of them has had any real union-wide influence yet, and the opposition caucuses in the UFT and CUNY's Professional Staff Congress (PSC) are underdeveloped and weak relative to the task before them. Those rank and file movements that do exist are very important and must be built, because the sell-outs of the leadership can be expected forever unless rank and file opposition grows. But we must honestly face the fact that the rank and file groups that now exist are way behind the level of development we critically need.

IV. STRATEGY

A. WHO IS THE ENEMY?

The cutbacks this past year have run into the hundreds of millions of dollars and have hit virtually all areas of the city budget. Under these circumstances, the natural tendency of most people who wish to fight the cuts is to direct their fire at the most visible institutions that seem to be forcing the cuts: in medical care, the Health and Hospitals Corp. (HHC); in primary and secondary education, the Bd. of Ed.; at CUNY, the Bd. of Higher Ed.; and similar things such as at mayoral agencies like the Depts. of Sanitation and Fire. All of these are of course appropriate targets in each area. But we must be clear that these institutions merely represent the lower levels of a city government which, as a result of the capitalist crisis (actually a permanent crisis recently in most U.S. cities), has been directly taken over by the banks and corporations through Big MAC and EFCEB. Along with Mayor Beame, these agencies are making the cuts, but standing behind them and dictating the cutbacks are the banks and corporations of N.Y. organized in MAC and EFCEB. Politicians like Mayor Beame and Governor Carey also represent the same interests as the EFCEB -- after all, they created it to run N.Y.'s finances so they wouldn't be blamed for all the cuts coming down. So all of these -- agencies, politicians, etc., will be appropriate targets at different times or at different levels of the struggle. But we must always

bear in mind that the banks and corporations (through the agency of the EFCEB) are the ultimate source of the various cuts.

Some people have seen sell-out labor "leaders", opportunist community leaders primarily interested in their own careers, and other such "leadership" of the people's struggles as the main enemy. While such misleaders have not attempted to develop the kind of struggle that is needed to stop the cuts and even have attempted to block the development of rank and file or grass roots organizations, they are nevertheless not the main enemy. As explained before, they are not the source of the budget cuts; our main enemy in this battle is those who control the basic institutions of our society -- the capitalist class and its representatives.



As we have already shown, the city is being run by Big MAC/EFCEB, big business, and the big banks. Their primary target is the working people of New York and their families. The struggle against cutbacks has become a class struggle in the clearest sense of the word. What the workers, community residents, and students of New York need in order to defend themselves against these attacks is united class action at every point where cutbacks are attempted. A complete victory -- a long term goal -- would be if we

were to force control of the city's budget away from MAC/EFCB and temporarily cancel all debts to the banks, since they've already gotten more than enough. Even if less than this is won, united class action can significantly slow down or stop cuts in every area of the budget.



The achievement of this goal requires various forms of highly organized class-based actions all the way from such minimal things as confrontations at hearings, sit-ins, mass demonstrations, short-term student strikes, partial work stoppages, etc., up to a maximal struggle such as a general strike. However, given the present level of leadership and unity among those affected by the cuts, we feel that minimal actions aimed at forcing a partial reversal of cut-backs in many sectors at once are the more realistic goals in the short run. But these actions must be seen as stepping stones in the building of a stronger movement which can do whatever is necessary to stop all cuts.

To the extent that a movement is successful in any single area, the EFCB-controlled city government will probably attempt to shift the financial burden elsewhere. For example, a powerful fightback movement in the hospitals might force them to back down there, but they would likely try extra cuts in daycare or at CUNY, or elsewhere. A strong movement in hospitals and daycare and CUNY and ..., e tc., will mean that they cannot do this, and we will win real gains across the board. We must mutually support all struggles, and prevent divisions between people fighting in different areas.



This also applies beyond the boundaries of the city: as the state and federal governments are asked for aid, attempts are made by the media to portray the interests of New York workers, community residents, and students as opposed to those of state and nationwide working people. This attempt to divide us regionally must also be fought. We aim for a widening class unity on every level of government and in every area of the country where working people are being attacked. People outside New York City should understand that New York is a model for what they will attempt to do elsewhere if they can get away with it here.

B. WHO ARE OUR FRIENDS?

The core of the cutbacks movement must be the working people of New York City of all races and nationalities. The majority of workers affected by the cuts are in unions, their most natural and powerful forms of organization. Therefore, the most effective opposition to the cuts would have the organized labor movement at its center.

Unfortunately, at this time, the unions are largely in the hands of very backward and bureaucratic leaders. Rank and file groups in city unions are few and generally weak. As the movement gains strength, the union bureaucrats must be pushed to take progressive stands or be forced out of office.

Workers in both municipal and non-municipal unions must push their leadership in a progressive direction, since private-sector workers are also being hurt by cutbacks. They are also losing hospitals, a decent education for their children, etc., and many private employers are using the city budget crisis as an excuse to impose layoffs, speed-ups, etc. on their own employees. This is what the League of Voluntary Hospitals did when it tried to destroy the 1199 contract in the summer of 1976.

Although the union misleaders cannot be relied on, a limited unity with many of them is necessary at this time for several reasons. First, we must unite all forces in the city capable of fighting the cuts; the union leaders presently control the unions, which are clearly the strongest and most important of these forces. For example, our primary task must be to support virtually any strike against the budget cuts, even if we have simultaneous secondary criticisms of the union leadership. But, we should work with the union leaders only insofar as they themselves act in the true interests of the rank and file workers. And the second reason for this tactical unity is that only in this way can we develop and demonstrate in the practice of the cutbacks movement itself the criticisms of these "leaders" needed to reveal their true nature and ultimately to build the rank and file strength to replace them.

In part because of the weakness in the organized labor movement, the major burden of the fight against the cutbacks has been taken up by community groups, and Third World organizations. Women's organizations, student groups, and groups of people who formerly benefited from services that are now being cut have also mobilized. Examples of this include tenants groups, parents of children in daycare, the elderly, and patients at municipal hospitals.



These groups have mostly led the movement against the cutbacks during the past year. Many have fought militantly over long periods of time. They probably will continue to be the backbone of the movement against the cuts in the near future. In spite of this, in the long run, they cannot take the place of a militant organized labor movement. They will, however, always have a crucial and necessary role to play in the struggle.

The fight against the cutbacks should unite all those who are being hurt by the cuts, against the banks and corporations. This movement will be a large movement indeed since there are only a very few privileged people in this city who have not been hurt by the cuts.

C. ERRORS TO AVOID

In this section we will analyze some of the errors that we have come across in our work against the budget cuts from the summer of 1975 through the summer of 1976. These are errors which often have been made by those who we see as friends and allies with the movement. We criticize these errors only for the purpose of helping us all to build a stronger and better movement against the cuts.

1) Errors preventing unity between different races or nationalities

Building unity between Third World and white people has been the key to victory in all struggles in the United States. Racism is built into our capitalist system, and has always been used to super-exploit (under-pay and extract even more profit than usual from) the labor of Third World workers; it has also meant an extreme social oppression for minorities in all walks of life. Racism prevents workers as a whole from fighting together for their common interests by dividing the class and spreading the illusion that white workers have a real interest in the oppression of minorities. Racism is the major division within the working class. Therefore it is essential to closely analyze the question of racism and how to achieve unity between all races and nationalities, particularly within the recent anti-cuts movement.

a) White chauvinism or racism

The major error has been white chauvinism, or the ignoring of the special interests and needs of Third World people. This is a reflection of white chauvinism in the U.S. working class itself. Many white and minority workers have struggled together against

the cuts, but many white workers still see their interests as separate from those of Third World workers -- largely because of racism. Much of the anti-cuts movement has not been seriously enough concerned with this problem.

This is usually seen in the failure to raise demands within the movement relating to the special needs of Third World people. Those who fail to do this often see racism as nothing more than a "conspiracy" on the part of the bosses to divide the workers. This incorrect view ignores the extreme social oppression that is specific to Third World people in general, and ignores the entire history of racial and national repression and exploitation of Third World people. Therefore, it sees no need for special demands correspond-



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ing to the special oppressed situation of minorities. This is incorrect and tends to negate a determined struggle against racism, which is the only lasting basis for racial unity. We have encountered this in-

correct view among those in the anti-cuts movement in CUNY who oppose special demands to save Black and other ethnic studies programs.

A second way that this error shows itself is demonstrated by those who do raise special demands for minorities within a specific struggle, but fail to raise the issue of combatting racism in general. Many white workers who will struggle side-by-side with their fellow Black workers on the job (often even against certain racist practices), will support racist movements in the community (such as the racist Boston "busing boycott"). This shows that we must raise the issue of fighting racism in all areas within the anti-cuts movement, and integrate issues such as the recent "Free JoAnn Little" campaign into our work.

- b) Secondary errors in response to white racism

NARROW NATIONALISM - This is not the major problem in the overall movement, and when it does occur, it is almost always a reaction on the part of minorities to white racism on the part of others. In its most extreme form, it takes the form of minority groups or individuals seeing white people as a whole as the enemy. Much more frequently, it is the view that Blacks or other minorities must "go it alone", and not ally with or work in the same organization with whites. Or, in its weakest form, it means reading struggles in purely racial terms, rather than seeing other aspects. An example has been the attitude of the major Black newspaper Amsterdam News toward the struggle to save CETA jobs. Amsterdam News reported on the CETA struggle as a purely racial issue (that is, as a struggle to save jobs for minorities only), which was an aspect but not the entire issue in the struggle. And a more serious form was exhibited by an individual of the SEEK (special financial aid) program at City College, who said in amazement, "SEEK is a Black struggle -- what are all these Asians doing here?" This incorrect attitude splits those who have potential unity to fight the cuts.

THE "WHITE SKIN PRIVILEGE" - Within the anti-cuts movement a small number of left groups have put forward a

"white guilt" politics which claims that white working people as a whole do benefit from racism -- the so-called "white skin privilege". Therefore they argue that whites should generally play the role of a support group to Third World struggles. This view sees whites as being organized against racism out of a sense of charity rather than in their own interests. This incorrectly neglects the fact that in a real sense, white workers are also hurt materially by racism; any so-called "privilege" to white workers from racism is really nothing but a lesser damage to themselves than that which racism brings on minorities. (A clear example is in the south, where white racism has frequently prevented unionization and consequently both Black and white workers receive the lowest wages in the country.)

In practice this view fails to win whites to the struggle against racism because it relies solely on moralistic "support" arguments for the struggles of others. And, coming from whites, it takes the form of racial paternalism -- an uncritical attitude toward non-white groups and individuals. This in turn prevents the development of honest and open relationships between white and Third World people, and of the political struggle necessary for the best development of the movement. We have run into this attitude both within the CUNY anti-cuts struggle and within People Against Racism in Education (PARE).

2) Organizational Errors

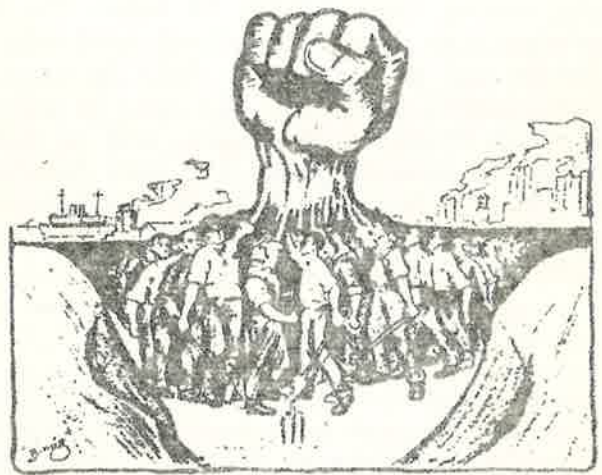
Other errors which have badly hurt our ability to fight the cuts in the past have occurred in trying to build organizations capable of fighting the cuts. Solid organization is a must if we are to succeed.

- a) Mass Action - No Politics - No Organization

This is the tendency to rely on one or two large demonstrations to win the struggle, without building an on-going, long term organization, and without bringing any clear political perspective into the movement. This is by far the most common error made in the cutbacks movement -- many struggles never get

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beyond this stage and die after one or two demonstra-
tions. This is bound to occur in any upsurge of
activity which lacks a leadership which has a clear
political understanding of the cuts, the reason for
them, and the need for highly organized long term
resistance to really win.

This is natural among many non-political people
who are engaging in struggle for the first time. But
it is not natural, and is much more serious, when
this approach is put forward by conscious political
organizations as a strategy. Such "leaders" try to
channel people's energies into one-shot, pressure-
group demonstrations, or letter-writing campaigns,
while neglecting long-term organization around even
the most minimal demands. They also usually end up
relying on politicians and similar types of people
who can never be relied on, because they have neg-
lected the only effective alternative: solid organ-
ization of the movement itself.



b) Organizational errors made by some parts
of the left

ULTRA-LEFTISM - this usually takes the form of de-
manding that unity in any particular struggle be against
the capitalist system as a whole. This has the
effect of isolating the people with a greater under-
standing at the beginning of a struggle and keeping
the issue within the small forces of the left. The
correct approach is to reach a level of unity which

both correctly directs the struggle and at the same
time takes into account varying levels of understand-
ing among those involved. People's understanding of
the system we live under must be developed in their
own experience and practice. Then, in the course of
the struggle it is both necessary and proper to raise
broader issues.

ACTION WITHOUT ORGANIZATION/ORGANIZATION THRU ACTION
This view holds that organization can be built by
harnessing the energy of a crowd of angry people in-
volved in a protest. Instead of seeing this for what
it is - an unorganized, unfocused expression of anger -
this view mistakes the anger of people as expressed
in an action for an understanding of the issues and a
long term commitment to struggles - both of which
are necessary in any difficult struggle such as the
present one. Action can build the motivation to or-
ganize, but in and of itself it cannot build organi-
zation. Successful actions can be useful only if
they are based on long-term organizing and on a
program.

Even among many organizations and individuals
who have a pretty good political understanding of
the cutbacks, this is an error frequently made. In
our own organizing experience, we have encountered
this as a major error in both the CETA and CUNY
struggles.

ORGANIZING WITHOUT A BASE - This error usually arises
from the isolation of leftists from broad masses of
people. It has resulted in a number of citywide
coalitions organizing without a base against the
cutbacks. Frustration leads these people to set up
paper organizations and coalitions around city-
wide issues which they hope will attract people
spontaneously interested in fighting back, but which
inevitably never escape their isolation. While
isolation is a common problem at present the only
real solution is to dig roots and build a strong
organization at the base. City-wide unity is essen-
tial, but it must be based on strong local organiza-
tion.

3) Errors due to narrowness of interest

One thing which has split and hurt the recent anti-cuts movement is the fact that the leadership of some struggles have aimed only for the narrow self-interest of the specific individuals or institutions involved. This has prevented the broad unity necessary to win.

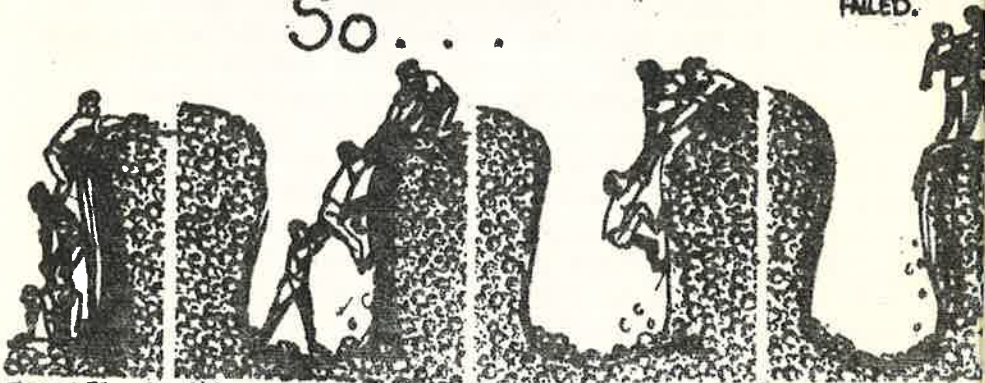
LOCALISM - This is seeing the specific struggle in isolation from other struggles. This "go it alone" approach usually leads to defeat. In our past practice we have encountered this attitude among some of the community leaders of the struggle to save Fordham Hospital. They failed to link their struggle with that of other hospitals scheduled to be shut down, and had the attitude that "Fordham is a special case -- it should be seen and fought for as a special case". They viewed any attempt to link Fordham to other hospitals being closed with suspicion, narrowed the potential base of support drastically, and finally lost completely.

Once there were some workers stuck in a hole



THEY DESPERATELY TRIED FIGHTING EACH OTHER TO GET OUT--AND THEY FAILED.

So...



THEY TRIED HELPING EACH OTHER AND THEY MADE IT.

Even among some partially successful struggles, localism has been a factor preventing greater unity and success. The spirited and militant community struggle to save the Columbia Branch Public Library was won temporarily, but only by taking CETA money away from other programs in the city which were originally slated to get the money. The leadership of the struggle was unaware of the larger issues involved, and only saw their own local library as the issue.

PITTING SOCIAL SERVICE WORKERS AGAINST SOCIAL SERVICE RECIPIENTS - The clearest example of this incorrect view is in education. Albert Shanker split the interests of teachers from those of students and parents by calling a reduction in the hours of education for students a "victory" for teachers. Instead of fighting side by side with parents for decent teaching conditions and quality education, Shanker has consistently pitted teachers against parents. Unfortunately, many parents and activists have fallen for this and in their struggle for decent education, have come to view virtually all teachers as their enemies in the struggle. The alternative, and the only alternative, is for activists in both struggles to push their common interests and to link the struggles. This applies also to hospitals, daycare, etc.

These are some of the major errors we have encountered in the recent anti-cuts movement. There are others, but we believe these represent some of the major ones which have hampered the development of the movement in the past.

D. WHAT CAN WE BUILD AND WIN?

1) Assessment of Forces

What we can win depends very much on how we assess the various forces involved in the struggle. We feel that all those involved in the anti-cuts movement can be divided into three basic types: advanced, middle and backward. In this section we will first define the three types of forces involved, second state who we feel fits into each category, and finally state what

our attitude toward each type of person involved should be.

ADVANCED FORCES: Advanced forces are those who correctly point to the main enemy, attempt to link up and coordinate the various struggles, and consistently rely on mass movements to win, rather than on politicians or backroom deals. This includes some Marxist-Leninist organizations and individuals, some other leftist organizations, most union rank and file groups, a minority of the active community organizations, and some Third World and student groups. One specific example of an advanced force in our experience is the CETA Worker's Action Committee (CWAC). Our attitude should be to unite and consolidate all advanced forces to provide leadership to the entire movement. To do this, all advanced forces must engage in discussion to reach unity on a common political program to lead the struggle.

MIDDLE FORCES: Middle forces are those who, although they have a real interest in fighting the cuts, only inconsistently see who the main enemy is (or are confused about it), only sometimes link up the various struggles (or fail to do so because of lack of understanding), and rely on a variety of methods, including correct mass movement tactics and incorrect ones. This includes the vast majority of organized and unorganized workers and most community groups -- in other words, over 90% of those involved in the movement against the cuts are middle forces. One specific example of a middle force in our experience was the group of community participants in the sit-in at Fordham Hospital. Our attitude toward almost all middle forces must be that they are potential advanced forces. In the movement itself, we must attempt to bring the middle forces to an advanced understanding, so they do target the right enemy and use the best methods of struggle.

BACKWARD FORCES: Backward forces are those who consistently point to the wrong enemy, narrow the struggle and prevent links between movements, and/or consistently block the development of mass movements. In other words, they are those who consistently end up acting as enemies of the people's struggle, even

though they should be playing the role of friends. In our experience, the backward forces are vitually all the bureaucrats who presently lead the unions and certain community "leaders" primarily looking out for their own careers (often for a career in the Democratic Party), etc. These misleaders usually have a tightly knit group of followers to consistently back them. Here our attitude must be somewhat flexible. Some of these people, like Albert Shanker, are always going to be acting as enemies of the people. Our only attitude toward them must be to isolate and defeat them. Others can sometimes be neutralized - at least temporarily - so that, if they don't play a positive role, at least they don't play a negative one. For them, we must neutralize them by forcing them to act like middle forces, at least temporarily. But none of these backward forces can ever be expected to play a positive role, and our long-range goals must always be to replace them with more advanced leadership.

Regarding these forces, two glaring weaknesses are apparent. First, there is presently no political party of the working class which contains all the best, most advanced members of the class. Such a party would have its members actively involved in all the movements against the cuts, would be leading many of them, and would be able to coordinate all the isolated, separate movements into one mighty fist to strike at the common enemy. Without such a party capable of playing the leading role, there are serious limitations on our struggle. We can accomplish a lot in the meantime, but the WSOC believes that the task of building such a party of the most advanced contingent of the working class is a major task facing all Marxist-Leninists today.

The second (and related) major weakness is that the most powerful organizations capable of stopping the cuts - the unions - are not playing the role they should in leading the fight. This is for two reasons: the rank and file is not clear and united enough to ensure that the unions act in the workers' interests, and the leadership is almost entirely composed of sell-out labor bureaucrats. The only solution to

this in the short run is to unite and strengthen the advanced forces within the unions and attempt to bring a large number of the rank and file from an understanding which is unclear to one which correctly targets the enemy and relies on the best methods. Concretely, this means building rank and file caucuses and creating such rank and file pressures that the misleaders are either isolated or neutralized. In the longer term, the only solution is to replace these misleaders with a leadership that relies on the rank and file and has a more advanced understanding.

There are also many community organizations, Third World organizations, student groups, coalitions, etc., which presently are led by middle or advanced forces. These are encouraging and have been the backbone of the resistance to the cuts so far. Our task



here is to build the strength and base of these coalitions and organizations as much as possible, to bring as many people within them as possible to an advanced understanding, and to push for the more advanced people to be the leadership.

One thing that definitely should not be done is to attempt to build coalitions or anti-cuts organizations composed only of advanced forces. This separates people with a more complete perspective from the large majority of those against the cuts. The place for advanced people is in the middle of mass organizations, struggling for the best politics and the best leadership.

In summary, we see the overall situation as follows: the vast majority of those fighting the cuts are "middle" forces who have neither a good nor a bad (incorrect) political understanding of the cuts and the best way to fight them. The most powerful organizations capable of fighting back - the unions - are almost all led by backward misleaders who prevent a correct understanding and strategy. Many community and other organizations are led by "middle" forces, and a few are led by "advanced" persons with a good understanding. Given this situation, how much we accomplish depends on how well we isolate or neutralize backward misleaders, bring middle forces to an advanced understanding, and unite the advanced around a common program to provide leadership wherever possible. The situation is neither promising nor discouraging -- it depends on how well we organize.

2) Principles

We think that the following five points are important general principles to guide the work of groups, coalitions or individuals involved in the struggle against the cutbacks. Specific principles of unity, and demands for particular areas of work must of course be developed within each individual struggle.

1. UNITE EVERYONE WHO IS BEING HURT BY THE CUTS

Unity of all the struggles is the only way we can win. This means unity among the labor movement, the

community groups, student groups, the unemployed, the recipients of all social services, etc.

2. AMONG ALL THOSE HURT BY THE CUTS THE WORKING CLASS IS THE KEY SECTOR

The working class is bearing the brunt of the cuts, and it alone has the potential power to reverse them.

3. DEFEND ALL THIRD WORLD AND WOMEN'S PROGRAMS AND SERVICES

Many of the cuts are directed specifically at minorities and women (daycare, Hostos College, etc.). We can only unite everyone if we recognize and fight for the special needs of oppressed nationalities and women.

4. BUILD A STRONG UNITED INDEPENDENT MOVEMENT

There should be no reliance on compromisers such as the Board of Education, the Health and Hospitals Corporation, or politicians, and no leadership by those who would rely on them.

5. THE MAIN ENEMY, STANDING BEHIND EVERY AGENCY MAKING THE CUTS, IS THE BANKS AND CORPORATIONS REPRESENTED BY MAC/EFCEB.

Groups or individuals within any coalition should be free to put out independent literature or engage in independent work as long as they do not oppose the principles of unity or the political strategy worked out by the coalition as a whole. Political opposition or attacks on any coalition or organization formed should be a basis for exclusion.

principles of unity or the political strategy worked out by the coalition as a whole. Political opposition or attacks on any coalition or organization formed should be a basis for exclusion.

3) What can be done?

In a general booklet like this, we cannot give specific advice for each individual struggle, but some guidance can be found by studying recent success-

ful examples.

COOP CITY RENT STRIKE: the base of the Coop City victory was sustained long-term organization. The strike was 90% effective and endured for 13 months. In the process, thousands of tenants were involved in leadership as floor captains, building captains and on higher levels. This meant that the average tenant was involved in the struggle not only by withholding rent but also by taking on leadership. With good reason, Charles Rosen, strike leader, said that if he were arrested, a thousand people could take his place.

The source of this organizational strength was no coincidence. The strikers knew that the banks which control the buildings' mortgages were behind the state's moves for rent increases. They realized that the Democratic Party was not their friend, and consequently had to rely on themselves. This basically correct assessment of friends and enemies was crucial to their organizing strategy.



HOSTOS COLLEGE: The cuts at Hostos were not merely educational cuts, they were a direct attack on the Latin community in New York. The Community Coalition

to Save Hostos led by the Puerto Rican Socialist Party understood from the beginning the need to maintain links between the school and the community. Hostos was the only CUNY school to do this consistently. An example of this linkup is Hostos support for a community demonstration at Yankee Stadium to save the south Bronx. As a result, Hostos became a community struggle as well as an educational one.

The coalition was well organized and during the takeover of Hostos they kept it open. It provided for day to day activities including numerous political education classes as well as organizational tasks. Not only were students and community people educated about the nature of the cutbacks, the role of the banks, etc., but their political commitment to the struggle was increased by daily contact. And most important, the struggle was led by organizations and individuals who understood the relationship between this individual case and the system as a whole better than the leadership of other major struggles.

While the Coalition was not able to prevent all Hostos cuts, it did save the school for at least one more year.

1199 HOSPITAL STRIKE: 1199 is the only union to date which was genuinely prepared for a strike. Local strike committees were set up in every hospital. While the union leadership tried to win the strike by playing up to Governor Carey and the Democratic Party Convention, some of the local strike committees accurately depicted the enemy as the banks and corporations and the state government, which controls Medicaid payments.

The rank and file was very militant and more politically conscious than in other unions in the city. An indication of this militancy is the amount of resistance to strikebreakers crossing picketlines. Close to 150 strikers were arrested for this. This militancy prevented a big loss - unlike with other unions.

Though none of these three examples are absolute victories and none of them was strategically or tactically perfect, they all point in a positive direc-

tion, a direction which can lead to greater unity and militance and to more solid victories.

4) What Can We Win?

If we build this kind of massive, militant resistance in the areas in which we are working, we will manage to lessen the effects of the cutbacks. In some areas this may mean stopping new cuts, in others we may be able to win back some of what has already been taken away. It is only through organizing an ongoing struggle, however, that there can be any victories at all.

In the past year, the successes of the fight against the cuts have been few, and small; the forces we are fighting against are strong and determined. Yet, it was only where the fightback was based on the people being hurt, and not on backroom negotiations that any victories were won at all. The massive, militant 1199 strike prevented an all-out assault on their old contract. The organized resistance at Hostos College that relied on the community as well as on students, saved Hostos, even if only temporarily. Militant CETA workers were instrumental in stopping 14,000 layoffs this winter.

We are repeatedly told that "there is no money", that the cutbacks are absolutely necessary and inevitable. However, we find that whenever the resistance has been militant, relied on the masses of people, been broadly based and sustained, money has been discovered to avert layoffs or restore an essential service.

We must realize, however, that it will be a difficult and long-term struggle to win back all that has been taken from us. As we have described in section II of this booklet, periodic crises, recessions, and cutbacks are necessary to keep our present economic system afloat. With every crisis they will attempt to take back any gains we have made. At this point in order to stop the cuts altogether we would have to take control of the city away from MAC/EFCEB, and cancel the huge debt owed to the banks by the city gov-

ernment. At the present level of development of the forces resisting the cuts we can only realistically expect to curtail them.

Perhaps the most important gain that can be won from an organized and conscious struggle is that many people will gain a much better understanding of the cuts and their origin. Many will come to see that this system cannot meet their needs, and that they must fight for whatever they get. Most will see that the state is not neutral - it sides with the banks against the people whenever there is a conflict. Some will even see that the capitalist system must be overthrown if their needs are to be met. This increase in class consciousness will reflect itself in many positive ways: stronger, long-term highly-conscious organization will grow, and we will be several steps closer toward forming a party of the working class capable of leading the class in all its struggles. This would be a very important and real gain, for this is the only way that working people will ever be able to guarantee their interests.

In the long run the only way to win a decent life for us all is to build a social system based on the needs of the people rather than the drive for profits. That system is socialism. Therefore movements such as a successful budget cuts struggle must be linked with an overall movement for a socialist revolution.

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WHO WE ARE

Cutbacks in New York City was written and produced by the Worker-Student Organizing Collective (WSOC), a Marxist-Leninist organization based in New York City. This booklet is an outgrowth of our work in cutbacks struggles over the past two years. We welcome any comments or criticisms of the booklet, and hope many will find it useful in their organizing against the cuts. For more copies, or for information about our organization, please contact us at the following phone number: (212) 866-6758. We are interested in establishing contact with those active in the anti-cuts struggle, and with everyone in general political agreement with this booklet.

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Portions of this booklet appeared previously in the booklet Gutbacks at CUNY, written and produced by the RSC. In the production of this booklet, all labor has been donated.