

due for payment. The major New York banks have already agreed to roll-over their share which is estimated at \$550. The rest is held by individuals, funds and institutions. Felix Rohatyn, Chairman of the Municipal Assistance Corporation, apparently not briefed by Simon as to its true purpose, dubbed the debt moratorium proposal impractical and irrelevant.

In fact, Simon's debt moratorium

proposal will simply be used by the Federal Reserve bank as a pretext for bail out actions for the commercial banks. Had Burns himself declared that the banks were in trouble because of accumulated loan losses and deposit withdrawals suffered over the past week and required emergency aid for those reasons, he would have provoked a panic run on the banks and a classic bank collapse. Now the Fed's credit

mainline will be hooked directly into the banks using an incidental debt moratorium by the banks as the excuse.

Simon, however, is playing with fire. Not only will Fed bailouts lead to immediate hyperinflation but the pretext — a debt moratorium — will become an example for such debtors to Rockefeller banks as Third World countries, municipalities to follow.

New Bloodletting in NYC Began on Rocky's Orders

NEW YORK, Oct. 8 — New York's Mayor Abraham Beame announced this week bloodletting measures against the city's eight million residents, in the first phase of a three-year, Rockefeller-dictated austerity package to guarantee the looting rights of debt collection.

The announcement, mandated by New York State's Emergency Financial Control Board (EFBC), comes one day after Nelson Rockefeller demanded that New York City "put its house in order" before any federal relief is considered.

Governor Carey offered the plan yesterday to an audience of 2,000 bankers attending the annual meeting of the American Bankers Association. The bankers charged it was insufficient and, like vultures, demanded more blood from their working-class prey. In the style of the flesh peddlers of New York's red light district where the meeting took place, Carey obliged and tore up the teachers contract that ended last month's strike, declaring the settlement in violation of the banker's austerity plans.

The plan itself involves a \$200 million reduction in the city's budget by year's end, to be accomplished by the following actions:

*A reduction of the workforce by 20,000 through forced retirement of veteran employees. These layoffs, it is estimated by sources close to the mayor, will mean a 3 per cent cut in the police force and an 8 per cent cut in the fire force. Deputy Mayor for Finance,

Kenneth Axelson revealed, however, that such "attrition" will have to be accompanied by a new wave of layoffs. "If you look at the numbers," the dollar-a-year-man executive warned, "you'll see that there will have to be sizeable layoffs."

*An extension of the present wage freeze to cover all municipal workers and to extend for three years. This sweeping measure applied to all cost-of-living increases and contract increments. Axelson stated in blunt terms that this will require a "review of all city contracts and collective bargaining" and thus effectively dissolve all municipal union contracts.

*A drastic cutback in hospital, education, and cultural services combined with a RAND Corporation program of productivity and speed-up against those workers still employed.

*A complete freeze on capital spending for schools, hospitals, libraries, and other "non-essential" construction projects. The freeze, it is estimated will instantly effect at least \$74 million in construction plans.

In a related development, major press sources have reported that Governor Carey is considering a long-range financial plan to place the entirety of the state's \$8 billion pension fund under his direct control, to be used to purchase all the state's upcoming short-term note issues. By all capitalist financial standards these notes are worthless — a fact confirmed by Moody's Investors' Services, which removed their credit rating last week.

Workers are thus being "asked" not only to guarantee debt collection through layoffs, wage cuts, and service curtailments, but through the sacrifice of their retirement funds.

By the admission of Rockefeller's own hired hands, this wholesale attack on workers' living standards is a foretaste of what workers can expect in the period ahead. "Even with these wage reductions," Axelson conceded, "the gap (budget deficit) in the third year will be great," and will require much greater levels of austerity. In addition, the projected budget deficits on which Rockefeller has based the present attacks do not account for the jump in operating costs and the fall in revenues that the renewed inflation and industrial collapse will ensure.

This is of little concern to such Rockefeller flunkys as Carey, Beame and their controllers in the EFBC who believe that once workers accept the present round of austerity and the complete destruction of their own municipal unions, then there will be no obstacles to such future attacks.

The resistance to the present assault, however, was signalled earlier this week by the call for a debt-moratorium by Dennis Serrette, head of the New York Coalition of Black Trade Unionists, and by similar motion among key members of the Congressional Black Caucus. Carey, when presented with this evidence of opposition at a broadcast press conference yesterday, became flustered and screamed out, "A bank collapse will cause a debt moratorium!"