The 1971-72 New York State budget is $7.7 billion. Although this is $800 million more than last year's budget (an 11 percent increase), it falls far short of the $8.4 billion budget proposed at the beginning of the state legislative session. As a result, the budget does not allow for maintenance of services, much less expansion of services.

Cuts, totalling $760 million, are hitting health, mental health, narcotics and welfare services heavily. Of the 8,250 state employees laid off (5 percent of all state employees), approximately 5,000 work in health programs—3,500 in mental health, 1,500 in narcotics.

In state programs alone, the budget cuts will mean:

- A 10 percent reduction in welfare payments, cutting food allotments to 88 cents per person per day.
- The elimination of medical coverage for hospitalization, office visits and drugs for up to 500,000 low income families in the state. This was accomplished by reducing Medicaid eligibility for families of four from an annual income of $5,000 to $4,500. (This cut has been delayed by a temporary court order, but prospects for a permanent injunction appear dim.)
- The closing of many mental hospital wards and the simultaneous elimination of separate after-care facilities for released patients.
- The curtailment of narcotics treatment programs. Admissions to state narcotics programs were halted April 30 and four community treatment centers are in the process of shutting down.

Municipal programs as well as state programs, are being affected by the state budget cutbacks. State aid to localities comprises approximately 58 percent of the state budget. These cuts hit New York City hard. It is estimated that $200 million in direct state aid to the City will be lost along with an additional $460 million in federal matching funds normally provided to the State. As this Bulletin goes to press, the City's budget and tax package are still being negotiated in Albany. But budget cuts may mean laying off as many as 90,000 municipal employees. Since last October Mayor Lindsay has already fired 1,300 employees and eliminated 3,500 jobs. Once again, health and welfare services will absorb the heaviest blows.

In the area of health, municipal cutbacks mean:

- The loss of 20,000 employees including 2,000 doctors in the city hospitals alone. These threats include closing 8 of the 18 municipal hospitals, thereby terminating in-patient care for 80,000 hospitalized patients per year. In addition, home care, non-emergency medical services, job training and upgrading for health workers will all be eliminated.
- Plans have already been made at many city hospitals to cutback services. Lincoln Hospital is typical. There, starting July 1, the Department of Surgery will only provide first-aid and emergency care. All elective surgery will be trans-
Rich Is Poor—Less Is More

This budget crisis occurs in one of the richest states in the union. Of the top 500 industrial corporations in the United States, 116 have headquarters in New York City alone. New York City also has headquarters of 9 of the largest 50 commercial banks, 7 of the largest life insurance companies, 13 of the 50 largest retailing companies, 9 of the 50 largest transportation companies, 10 of the 50 largest utilities, and 14 of the largest other types of corporations. (Fortune Magazine).

But even more paradoxically, this year the New York State taxpayer will end up paying more for large cutbacks in services. New state tax levies include: a 10 percent surcharge on the present state income tax; a 1 percent increase in state sales tax from 3 to 4 percent; even "escaping-from-it-all" will be more expensive with liquor taxes rising 50 cents per gallon and the gasoline tax jumping from 7 cents to 8 cents per gallon.

This escalating tax burden is falling upon taxpayers whose wages are already lagging behind the rise in the cost of living. The average weekly earnings for a worker in manufacturing in New York State was $106.40 in 1965 and had risen to $128.48 by June, 1969. This is a 21 percent increase over the five years. In the same period inflation rose at an average of 5 percent a year, totalling 25 percent. So the wages of the manufacturing worker buy less today than they did in 1965.

In his budget message Governor Rockefeller gave three reasons for budget and tax increases: growth of population in the State requiring increased services, rising unemployment requiring increased public assistance and other health and social services which are in fact being cut back; and inflation. According to the Governor, more than half of the increased spending in last year's budget was caused by rising prices and pay adjustments to meet the rising cost of living.

Who Pays?

One thing that Rockefeller did not explain is that the wage earner in New York State is increasingly shouldering the burden for state finance. From 1965 through 1969, state income from personal income taxes plus users taxes and fees increased 56 percent (from $1,790.3 million in 1965 to $3,809.9 million in 1969). Meanwhile state income from business taxes went up 23 percent (from $696 million to $858 million) (1).

This trend is even clearer in looking at sources of total state income. In 1965 wage-earners provided 62 percent of the

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state income; in 1969 they provided 69 percent; and in the new budget they provide 73 percent of state revenues. Meanwhile the proportion of state income from business taxes has been steadily decreasing. In 1965 business provided 24 percent of the state income; in 1969, 16 percent; and in the new state budget they provide only 14 percent (see graph).

How is the state tax money being used? A breakdown of expenditures in the present budget shows: (2)

Maintaining State Government 8.5%
(Government affairs, personal safety — includes correctional institutions, and general costs)

Human Services 74.9%
(Health, education, social development, recreation, housing and cultural enrichment)

Services Primarily to Business 16.6%
(Transportation, business, industry, environmental conservation)

Thus it appears that business is actually paying less (14 percent) than it is receiving in strictly business-related services (16.6 percent) not to mention maintenance of state government and human services from which business also benefits, but pays nothing.

New York State faces a major fiscal crisis: it asks the taxpayer for more money, yet returns less service. This problem is not unique to New York State. Other states and municipalities are confronted with the same crisis from California to Cleveland. But before the anxious taxpayer goes running off to demand Medicaid and welfare cutbacks, he should ask: Who really benefits from the budget, high or low? It's not the taxpayer. It's not the welfare recipient (he, by the way, pays taxes, both sales and property taxes through his rent, up to 50 percent of his income). It appears that business through all sorts of tax dodges and tax loopholes isn't even paying its own way. Perhaps the only solution to this fiscal crisis lies in a more equitable answer to the question: Who pays?

—Health/PAC Staff

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The Taxman Cometh

The government collects revenues through taxation. There are several forms of taxation—income, sales, etc. But all taxes fall into one of three categories: (1) regressive, (2) proportional, or (3) progressive. A regressive tax hits the worker and poor person harder than the rich. If a family with an income of $5,000 pays 10 percent of its income in a certain tax, while a family with an income over $50,000 pays only 5 percent of its income in the same tax, then the tax is regressive. A tax is proportional if every family is taxed the same percentage of its income for example, 10 percent for those families earning $5,000 as well as those earning $50,000. A progressive tax takes a larger proportion from larger incomes than it does from smaller incomes. A family with a $5,000 income might pay 5 percent, while a family with a $50,000 income would pay 10 percent.

The Individual Income Tax

Approximately 41 percent of all tax revenues come from the individual income tax; most of it goes to the federal government. On paper, this tax is progressive, since higher income people pay a greater percentage of their salaried income than lower income people. Analysis reveals however, that some incomes are more taxable than others. For example, taxes are automatically deducted from income earned as wages from employment, whereas income derived from interest on municipal bonds is tax free. In The Great Treasury Raid (Signet, 1965) Stern gives the example: "Albert's $7,000 was earned over a year's time in a steel mill. Albert pays $1,282 in taxes . . . Charles merely picked up the telephone, told his broker to sell some stock, and netted $7,000 profit. Charles' tax: $526." Thus many rich people, whose income comes from non-salary
sources, end up with lower tax rates than working families. Some rich people, such as Mrs. Horace Dodge—with $1 1/2 million in annual income from bonds—pay no taxes at all on that income. The amount of money lost to the Treasury from tax preferences for the well-heeled comes to at least $15 billion per year.

The Corporate Income Tax

This tax produces 17 percent of government revenues, again mostly going to the federal government. Corporations squawk that this tax takes 36 percent of their income. "Let no one say that the rich don't pay their share." But scrutiny suggests a different picture. Tax experts generally agree that corporations shift part, if not all of their tax burden, to the consumer by raising prices. This has a regressive effect because it converts the corporate income tax into a type of sales tax. If corporations paid taxes by reducing profits, then the corporate income tax would be truly progressive. But this rarely happens. Making the assumption that only 50 percent of the corporate income tax is shifted onto the buying public, then corporations pay only 18 percent of their income in taxes. The corporate income tax is much milder than the corporations would like us to believe.

The Sales Tax

This tax is almost always regressive. It provides about 20 percent of all tax revenues going to both federal and state governments with minimal amounts for local governments. Sales taxes fall into two categories: (1) general sales taxes for all purchases and (2) special taxes on particular items such as alcohol, cigarettes and gasoline. All sales taxes hit people in proportion to the percentage of their income spent on the taxed items. A sales tax on bread and milk is regressive since everyone must buy basic foods; and for low-income people, food is a high proportion of the family budget. In contrast, a sales tax on caviar, minks or diamond rings is not regressive since poor people cannot afford to buy these items in the first place. In California, food and basic utilities such as water, gas and electricity are not taxed, making California's sales tax less regressive. But the majority of states tax all items resulting in a very regressive form of taxation. In addition, special sales taxes on alcohol and cigarettes are also highly regressive: these taxes take 5 percent of the income of those earning under $2,000 per year, yet extract only 2 percent from incomes over $15,000.

Medical Harrassment

Men and women within the U.S. Armed Services face unique problems concerning medical ethics. Military health workers face the ethical contradiction of practicing medicine while practicing warfare. As patients, servicemen and women discover that matters such as medical confidentiality, which are taken for granted in civilian medical practice, are ignored in military practice. Gary Gianninoto faced both of these problems.

Gary Gianninoto enlisted in the United States Navy in November, 1966 and served with the U.S. Marine Corps as a medical corpsman. In February, 1968, he was sent to Vietnam. While serving as a medic he saw and assisted many Vietnamese injured in the war. After witnessing numerous acts of brutality inflicted upon the Vietnamese people, he decided to refuse all further orders and stopped participating in the war.

While in the stockade following his court martial, he continued to observe numerous acts of brutality—this time inflicted upon his fellow prisoners. Following his release from the stockade, Gary spoke of his experience in Vietnam to Mark Lane, author of the book, Conversations with Americans (a series of G.I. interviews documenting war crimes).

In December, 1970, a review of the Lane book appeared in the New York Times. The review attempted to discredit the book's claim that the United States has been guilty of "war crimes and crimes against humanity" in Vietnam. The

"If you drive a car they tax the street. If you take a walk they tax your feet."

"Taxman"—The Beatles
The Property Tax

This levy accounts for 15 percent of all taxes, accruing principally to local governments. In fact, 40 percent of local government budgets come from the property tax. In terms of local issues—schools, district health centers, county hospitals, sanitation services—these taxes play a critical role. Homeowners and tenants carry most of the burden of property taxes. In apartment buildings, the property tax is completely shifted to the tenants in the form of higher rents. Corporations and business establishments shift part of their property tax load to consumers by raising prices. The property tax is regressive for the same reason as the sales tax: rent, mortgage or the value of a house constitutes a greater percentage of the income of working and poor people than of the rich. In fact, as Rostvold points out in Financing California Government (Dickenson, 1967), the property tax may be the most regressive of all taxes: the average family making $1,000 per year pays 13 percent of its income in property taxes; the family earning $5,000 pays 5 percent in property taxes; and families with incomes over $15,000 pay only 2 percent in property taxes.

Social Security Tax

Social security payments amount to $41 billion in federal government income. But unlike most other taxes, social security collections can be used only for social security benefits. The tax is paid by both employer and employee. Again, there is controversy over who really pays. Most economists agree that the employer’s contribution is shifted to the employee in the form of lower wages. If so, working people pay all social security taxes. The effect is extremely regressive: those earning under $2,000 per year end up paying 10 percent of their income in social security payments, while those earning over $15,000 pay only 1 percent.

All these taxes combined make up 90 percent of the government’s revenue. Yet, almost all these taxes are regressive, or shifted onto the worker and the poor. Small wonder that the distribution of income and wealth in America has not become more equal in the past 50 years. In 1959, as in 1910, the richest 10 percent of the population received 29 percent of the total national income, while the poorest, 10 percent received only 1 percent. 10 percent of the population owns 60 percent of the nation’s wealth (i.e., real estate, stocks, bonds, savings, etc.) with an even smaller number, 16 percent owning 32 percent of the assets. Meanwhile, 50 percent of the population owns virtually no real estate, stocks or savings.

Thus the tax system has done virtually nothing to redistribute income and wealth in America. This, in part, explains the "poverty of government." The tax system of the country doesn't collect the fair share of taxes from the rich. By relying predominantly on working and middle income people, who often can least afford to pay taxes, the government doesn't bring in enough money. The money it brings in is not used to pay decent wages to its workers or to maintain services for its clients.

—Tom Bodenheimer, San Francisco MCHR
("Excerpt from "Poverty of the State")

In The Military

reviewer sought to discredit the book by discrediting the G.I/s who offered testimony to Lane. The reviewer noted that Gianninato told an Army psychiatrist that he had once "shot up with heroin" and had committed a homosexual act. Gary volunteered this information in an effort to gain release from the stockade. He fully expected that his conversation with the Army psychiatrist was of a privileged and confidential nature. But apparently the reviewer from the Times has access to his military and medical files.

A law suit filed recently by the Center for Constitutional Rights with Gary as a plaintiff, seeks to prohibit military authorities from revealing or disclosing any information contained in any service record except for purposes of the direct administration of armed forces and veterans affairs.

Military health workers like Gary are not likely to be deterred by the military’s harassment and intimidation. Military health workers are organizing against the war and for better medical treatment of G.I.’s at Walter Reed Army Hospital, Fort Bragg, and the Wright Paterson Air Force Station. Gary Gianninato will be joining a team of organizers who plan to set up a MCHR-sponsored Military Education Project at Fort Sam Houston and Lackland Air Force Base in San Antonio, Texas. Army and Air Force doctors, nurses, corpsmen and women receive their initial indoctrination to the malpractice of military medicine at these two bases.

—Howard Levy
As if on cue, the "Budget Cut Capers" are stage center in New York again this Spring. "Poverty-Stricken" New York City pleads for more aid or the permission to raise taxes, or both, from the suburban and rurally dominated State legislature. Mayor Lindsay has a backdrop of poster-boarded statistics and multiple "options". Rockefeller prompts the conservative State legislature to frustrate the City's needs. Both shake a weak fist at the federal government while passing the buck to one another.

But this time, the annual Spring rite is more than just empty ritual or out-dated theatrics. While Lindsay and Rockefeller are having it out,—reciting the familiar lines—heads are rolling. Not Lindsay's or Rocky's, but those of thousands of state and city employees. In health alone, 5,000 workers have already received their walking papers, up to an estimated 20,000 hospital workers may soon follow, and a plethora of municipal health services and hospitals are threatened with termination. In response, health workers are organizing to stop the show before the curtain falls.

To date, the most publicity visible response has come from the unions. They form a confusing amalgam of public employee organizations:

- The Civil Service Employee's Association (CSEA) represents state level public employees in the mental hospitals, the turnpike toll booths, the state police, etc. Most observers, inside and outside labor, agree that CSEA is the Governor's company union. In its over 50 year history the "union" has never called a strike or seen fit to amass a strike fund. But it goes through the motions. Several months ago CSEA polled its membership on a strike vote. 70% of the members who responded favored a strike if layoffs occurred this year.

In May, 8,250 CSEA members employed by the State received their "pink slips." Most of these employees were ordered to leave their jobs on June 1st. In an effort to look like it was responding to pressure from the membership favoring a strike, CSEA leadership called a strike for June 16th. Since this date was two weeks after the layoffs, most workers viewed it as an empty threat. Meanwhile, CSEA occupied itself with several hopeless court cases to declare the state budget unconstitutional because it departs from line-item appropriations.

- District Council 37 of the American Federation of State, County and Municipal Employees (AFSCME) represents municipal workers in New York City. Most of the hospital workers in all 18 of the municipal hospitals are DC-37 members. During April and May, District Council 37 waged a battle in the press. It rallied 20,000 workers at City Hall on April 27; and then staged the largest rally ever held at the State Capitol by transporting its members on 350 buses to Albany. Victor Gotbaum, Executive Director of the union, lashed out at Rockefeller at the rally:

"We are terribly disappointed that Nelson Rockefeller came up with a budget that would starve the cities, hurt the poor and tax the workingman the most." Once back in New York City, the members were involved in noon-time rallies in front of their hospitals. During the month of May virtually every hospital had at least one such rally. These were directed at making press, but failed miserably on that score. Gotbaum's strategy has been to place the blame on Rockefeller—so his tactics have been directed at Albany.

But the crunch will come July 1 when the City will begin to layoff city workers.
There is even the possibility that at least one municipal hospital, Delafield, may be closed. Will DC-37 strike? Hopes are greater for DC-37 than for CSEA. Yet, even DC-37 leadership privately admits it would not strike if the City closed Delafield Hospital. But if they get away with closing one hospital, where will it all stop?

- Local 1199 of the Drug and Hospital Worker Union represents hospital workers primarily in the voluntary hospitals in New York City. It also has approximately 4,000 workers in the municipal hospitals, as a result of the affiliation contracts which provide professional staffing for the city hospitals by the voluntary "teaching" centers. Part of this professional staff includes technicians (laboratory, X-ray, etc.) covered by 1199.

Although it is still unclear which workers will be laid off, some observers feel that those working under affiliation contracts will be hit first and hardest. Credence is lent to this fear, by the City's Health and Hospitals Corporation's desire to see only one union in the city system. Many workers are afraid that the cutbacks will be used as an excuse for eliminating all 1199 jobs within the municipal hospitals.

This fear was manifest at the Union's Delegate Assembly meeting in May. The topic of lay-offs within the municipal hospital system was raised three times from the floor, even though the union leadership did not place it on the agenda. Finally, it was referred to Executive Council for action. So far 1199 has followed the lead of DC-37. It is doubtful that 1199 would call a strike independently of DC-37 and it is not clear that they will be able to pressure DC-37 into action. But it is also clear that the union will fight to keep its membership.

The Unions are in an awkward position and their responses indicate the dilemmas they face. First, each union traditionally looks out for its own membership's skins, rather than representing all workers. An official at DC-37 explained that the union had to protect its own members, even if other workers (non-unionized "provisional" employees in this case) had to be sacrificed. The same goes for CSEA.

At several State Mental Hospitals, permanent workers (CSEA members) have received the names of provisional workers (non-CSEA members) at other institutions along with their pink slips. The fired workers, with CSEA's sanction, have been told they can continue to work for the State if they "bump" (claim the job) of provisional workers at other hospitals. With no resistance from CSEA, this policy divides workers against themselves, rather than uniting them against the layoffs.

Second, it appears that each union will act on its own. Solidarity has gone out the window. The result is that state workers have not been able to get together with city workers, despite the fact that they are all public employees and, in the last analysis, are all paid out of the same pocket. DC-37 did not support CSEA's proposed strike.

Third, the union's ultimate weapon, the strike, is considerably weakened in the present circumstances. Strikes involving public employees, in contrast to those involving industrial workers, must win a good deal of public support to be effective. But this is difficult when the strike victim is the recipient of services as much as it is the management or administration. When profits are not at stake, "only" human services, the pressure on the government-management to resolve the strike is less and is more dependent on public outcry.

The strike is also a limited weapon when it comes to fighting layoffs particularly in the non-"production" oriented human services. A strike may amount to a voluntary layoff, giving management a temporary assist in cutting back on personnel.

Lindsay pulls the pin and Rocky throws the grenade.

Victor Gotbaum, AFSCME, D.C. 37

Insurgency

Though much less visible in the press, various insurgent groups have emerged around the budget cut-backs. These groups have responded to the failures of the unions in their local institutions, and on a state-wide basis.

Such an insurgent groups has grown up among the state "After-care Workers." After-care Centers are outpatient clinics that provide counselling, therapy and medication to patients after they are discharged from State Mental Hospitals. After-care facilities allow patients to be discharged earlier to return to their families and community. The Centers have been located outside hospitals and have even spawned their own satellites within the Harlem and Bedford Stuyvesant communities. Almost all the After-Care Centers are in the New York metropolitan area and have therefore been an easy target for upstate legislators.
The four New York City After-Care Centers have been particularly hard hit. Over 50 percent of the 300 workers have been laid off—from the directors and social work supervisors of each clinic, to some kitchen, attendant and clerical staff. This pattern of layoff suggests that the State may be using the budget cuts to speed up the phasing out of these centers. The State had planned to transfer the centers to the State Hospital Administration over the next several years. Now it will only take a few chaotic months.

The effect on patient care is devastating. Workers don’t know where to send their patients. Some patients have become discouraged and are not returning to the After Care Centers for their therapy. Undoubtedly many will turn up in hospitals, jails and mental institutions again: in the long run, the State will have saved only a few dimes (if that) on this economy drive.

Workers at Middletown State Hospital (midway between Mt. Hope and Goshen) have been the most militant. The hospital, with its 2,300 employees, is the largest employer in the town. In early May, over 300 Middletown workers received pink slips. The actual transfer of patients moved the workers into action. At first they tried to block the transfers by negotiating with CSEA and the State Mental Hygiene Department. When this failed, they took the matter into their own hands. Over 250 employees met at the main gates of the hospital and circled the buses waiting to transfer the patients to Rockland State Hospital. Four employees were arrested while blocking the doors to the buses and three others were suspended for refusing to get on the busses to help supervise the transfers. But the dramatic actions were broken by the hospital administration and the police.

During the demonstration, a patient joined the workers with her own placard saying "Hang Rockefeller" and demanded that she not be transferred. The workers cheered her, but the administration locked her up in a seclusion ward and secretly transferred her out at 8 A.M. one morning. In addition, over 60 patients being treated for drug addiction, were driven to the George Washington Bridge and told to find their way home from there. As a consequence of transfers out of and within the hospital, Middletown State has become a virtual "lock-in" hospital. Up to this time, only a few wards in the hospital were locked. The cutback has ere-

As the sands of time shift, so do the policies of the American medical establishment. With the growing encroachment of prepaid group practices and federal plans for some kind of national health insurance, America's physicians and health insurers have had to move fast to preserve their power.

To do this, county and state medical societies across the country are now "reorganizing" by forming "non-profit" organizations called foundations. In Rochester, New York, Minneapolis, and in 16 California communities, the plans are organized and controlled by county medical societies. Last month, the Illinois State Medical Society representing 10,500 physicians formed the Illinois Foundation for Medical Care.

The foundation idea originated in 1954 in the San Joaquin Valley in California. There, as in the majority of cases, the foundation was set up by the county medical society to block prepaid group practice, (see BULLETIN, November 1970).

In its essence, the foundation plan is a fee collection scheme. Patients continue paying monthly premiums to an insurance company or Blue Cross/Blue Shield and are covered for a variety of health services. The local doctors in turn agree to accept the foundation's fee schedule for their services. The Foundation audits the charges and processes the doctors' claims. Somewhere in that process it also is supposed to function as a "peer review" of both the quality and cost of medical care.

Essentially what is happening is that the county medical societies (and in Illinois, the entire state medical society) becomes its own broker with the insurance companies. The fee-for-service solo practice model is in no way challenged or tampered with. The control of the foundation lies in the hands of the local doctors. Consumer input ranges from minimal to non-existent. The consumer continues to buy his insurance while the doctors and the insurance companies work out coverage and costs together.

The claims to cost and quality control virtually add up to false advertising. First of all, controls are exercised by "peer review" and doctors are notoriously
ated a "closed" institution once again.

Thus when CSEA called a strike for June 16th, the workers were dismayed since the layoffs were scheduled for the 2nd. The State Hospital workers at Middletown along with the After-Care workers petitioned the CSEA Executive Board to move the strike deadline to June 1st. But CSEA has turned them down.

The Middletown workers originally planned for a wildcat strike on June 2nd with a support of "sick-in" and rally scheduled in New York City. The administration was able to stop the strike (1) by taking out John Doe warrants for arrest of anyone not coming directly in or out of the hospital—thus picket lines, meetings, and leaf letting became illegal (2) by promising to invoke the state's Taylor Law leading to a docking of two days pay for every day out, and; (3) by threatening older supervisors with loss of pensions.

But the support rally went on as planned in the City. Workers from Pilgrim State, Central Islip, Kings Park, Brooklyn State, Bronx State, Bronx State Children's, Brooklyn After-Care, Lower and Upper Manhattan After-Care, Queens After-Care, South Beach Psychiatric Center and Middletown State were present. The CSEA spokesman said the problems were due to "worker apathy." When asked why the union was calling a strike on June 16th when the layoffs were scheduled for June 2nd, he replied "Who's being fired on the 2nd?" He was booed out of the meeting. 80 percent of the 200 workers at Bronx State Children's Hospital called in "sick" on the day of the rally. In response, Albany called the hospital's administration to insist that doctors' notes would be necessary for everyone who called in sick. Besides creating a sense of solidarity among the workers, the rally led to the formation of workers committees in the hospitals. Many of the committees from hospitals where patients are transferred back and forth are working on joint committees.

It is not just the workers who are concerned. At the Gouverneur State School for the mentally retarded, the community linked hands with workers to prevent the closure of the school. Parents of the 195 children attending the school were militantly opposed to the transfer of their children to the overcrowded Willowbrook Hospital on Staten Island. To them, it was an issue of life and death. Several parents had children who were neglected at Wil-

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Foundations

easy on each other when it comes to criticism. Secondly, cost control only amounts to setting a fee schedule based on "usual and customary fees" which are not publicly determined. By participating, doctors voluntarily submit themselves to the schedule. When they want more money, one can assume that they will voluntarily submit to higher "usual and customary" fees. Third, there is no reason to believe that quality control would affect anything but unnecessary medical procedures since the plans seem to be limited to accounting. Here again, "peer review" has never proven to be much of a safeguard for the patient.

The doctors and insurance companies are responding to increased federal and consumer pressures for cost control, quality control, and new forms of medical delivery systems. The foundation plans may look good on the surface, but they neatly fail to address themselves to any of the problems facing the health system and the consumer. They only cement the relationships of providers and insurors and their control of the health system.

On the one hand, the plans are a way of shoring up the practice of medicine against outside intervention. The Monroe Plan in Rochester states this clearly: "If private medicine, and either private or Blue Shield/Blue Cross insurors are to continue to exist, providers of care must show they can effect control of their own practices."

The insurors are scrambling fast in order to insure that their interests are represented in the future funding of "health maintenance organizations." In order to qualify for this and also gain hegemony over national health insurance, they are attempting to demonstrate expertise and experience in "new forms of health care," "cost and quality control," "coordination of health financing and delivery," and so forth. The Rochester group forsees this: ". . . [The Monroe Plan] will provide valuable experience to insurors who face the necessity of underwriting very comprehensive policies in the future."

The foundation plans represent one more brick in the wall. Up against the Foundation! —Susan Reveiby
lowbrook due to lack of staff and facilities. They joined with workers and obtained a court ordered delay of transfers. What will happen if this fails to be a permanent injunction is anyone’s guess.

Within the New York City municipal hospitals, insurgent groups are beginning to mobilize.

The Health Revolutionary Unity Movement (HRUM), a third-world workers movement largely within the municipal hospital system, discussed strategy and tactics at their nation-wide conference held May 15-16 at City College. HRUM laid down the principles for a "New Strike" strategy. Since municipal hospitals serve predominantly poor patients, many of whom are third world people, a strike at a municipal hospital hurts their communities more than it hurts the system. A strike in that situation takes on the character of a strike against the people.

HRUM implored groups to consider implementation of "hospital improvement contracts." Instead of striking, HRUM advocates administrative take-over of health services by the workers themselves. "We do the work in the hospital; we know how it could be reorganized to serve patient’s better; we should lay claim to the authority to run the hospitals." According to HRUM, such actions will unite the community behind the workers and stimulate a crisis within the system around who controls the hospitals.

It appears that HRUM isn’t sure what it will do if DC-37 calls a strike. It is very likely, in that circumstance, that HRUM will join with other workers, as long as basic services for patients are maintained. But in the case that DC-37 doesn’t call a strike, HRUM plans to unite around those workers who are laid-off by instituting their "New Strike" stihtegy.

The City-wide Health Coalition has sprung up to unite most of those insurgent elements on both the state and city level. This loosely structured organization has pulled together representatives from state hospitals as far away as Middletown, the municipal hospitals, as well as the Public Health Service Hospital on Staten Island. One of the basic principles of the Coalition is that all public employees in health should be united, rather than fractured into many union organizations that will not cooperate with each other. The Coalition has organized around four basic demands: "(1) No cutbacks in jobs and services; (2) Jobs and services must be increased—all vacancies in hospital staffs must be filled, all hospitals must have child care facilities for patients and workers, all hospitals under construction or being planned must be built immediately. (3) All health workers must receive a minimum wage of $150/week. (4) Funds to meet these demands should come, not from taxes on workers, but from: increased taxes on corporate income, cancellation of all health consultation contracts (e.g. Rand, McKinsey, etc.) cancellation of the Health and Hospitals Corporation’s debt service, which amounts to $31.5 million a year to banks, immediate cuts in exorbitant salaries of so-called public servants (169 Health and Hospitals Corporation administrators make over $20,000 a year)."

It was the coalition which was responsible for the June 2nd rally. Further actions are planned.

Workers, Taxes and Consumers

The budget cutbacks have stimulated insurgency within many health institutions. But they have also unveiled a latent set of contradictions within the health movement that threatens its viability.

For example, it has been suggested that a strike action, which may be necessary for workers to protect their own interests, inevitably hurts patients (particularly in municipal and state hospitals which are institutions of first and last resort for most community members). Likewise, in a period of budget squeeze, community demands for more services could lead to a "speed-up" for the workers. Thus groups that might otherwise be united are divided among themselves.

A new conflict has developed between worker, patient and taxpayer. It is clear that politicians use the demands of communities for better services and the demands of workers for better wages and working conditions to raise taxes. In many communities across the nation this has resulted in a tax revolt and voter opposition to bond and tax levies for schools and hospitals. In New York this tax revolt is symbolized by the resistance of suburban legislators to commuter taxes as a means for raising revenue for the city.

There is no easy reconciliation of these conflicts between patients, health workers and taxpayers. But the insurgent groups that have formed around the budget cutbacks in New York this Spring have pointed a direction. When health workers demanded increased wages, or no layoffs, they have included a demand for financing these changes by truly progressive taxation. Workers demands have also included provisions for improved patient services. Likewise, in the future, every drive for increased services spearheaded by the community should include demands for more employees to carry out the services and a proposal for tax reform to pay for them. No longer can local struggles around health care be oblivious to the issue of who pays.

—Oliver Fein