

Chicago heartland being destroyed to 'please bond-raters out East'

by Brian Lantz

The imminent demise of Chicago, once the "workshop of the world," is a sad matter to consider. Chicago is the soul of the "American Heartland." Without it, the United States as a productive economy can't work. A beautiful city set by Lake Michigan, Chicago has served for a century as the link between West and East, a scientific, industrial, transportation, and processing hub. But for two decades, Chicago has been sliding down the slippery slope of the Second Great Depression. Two and a half decades of "post-industrial" kookery and flea-market speculation mean that without a major shift in the policies of our nation, Chicago, last of the great American cities, will be gone.

According to 1990 U.S. Census figures, Chicago has lost 7% of its population—225,000 people—in the last decade. With junk bonds displacing steel in the U.S. economy, at least 130,000 Chicago manufacturing jobs were lost. The evidence is everywhere evident: the vacant Southworks steel facility on the Southside, once the largest in the world; empty railyards; and the homeless, 35,000 souls by city estimate, including 11,000 women and their children. Black and white Chicagoans, if they can afford it, flee this brutish environment. The city has lost 1 million people since the 1950s.

As Chicago's remaining business and industrial base crumbles under the current depression, so goes the city's revenue base. Sears, Roebuck and Co. has announced 9,000 additional layoffs, bringing the total to 33,000 over recent months. The Sears Tower, famous as the world's tallest building, is now up for sale. Midway Airlines, anchor to Chicago's Midway Airport, has halted aircraft loan and lease payments. Some 5,700 employees are holding their breaths in anticipation of cutbacks.

Real estate isn't doing any better. The Chicago "office bust" has created a soaring occupancy rate in downtown. State Street, the center of Midwest commerce, now features vacant storefronts. The housing stock of the city *dropped* an estimated 5% last year. In sections of the formerly industrial Southside, arson is becoming the preferred means of disposing of heavily mortgaged property. Following the national pattern, almost every real estate developer is in trouble. First National Realty and Development Co., a major shopping mall developer, faces multiple foreclosure suits. Desperate

Chicago area municipalities are panicking, because they floated public bonds in the 1980s to attract and build these sorts of projects.

Gambling all on one spin

While Chicago's elite families still fly off to Aspen, New York, and the Caribbean, they are satisfied leaving Mayor Richard Daley in charge. With the old Chicago Democratic machine in shreds, the son of "Boss" Richard M. Daley has turned the city over to Chicago and New York bankers. Instituting a New Age technocratic regime at City Hall, Daley is being relied on to institute budget cuts, "efficiency," and "privatization." Moreover, he is spending in advance state tax dollars he does not have and may not receive. With a gap of \$1 billion between revenues and expenses projected within two to three years, the mayor is gambling everything on one spin of the wheel: a proposal for a third regional airport—in addition to O'Hare and Midway—costing \$5 billion.

Anyone driving down Chicago's streets, or riding the Chicago Transit Authority rail system, knows the city is in an advanced state of decay. But to solve the revenue crisis, Daley is counting on the Lake Calumet Airport project to revive Chicago's Southside and become a magnet drawing new industrial parks and jobs. In the context of Democratic presidential primary candidate Lyndon LaRouche's emergency economic program to finance the reconstruction of the national industrial and agricultural base, a third Chicago regional airport, as part of a rebuilt, integrated transportation grid, makes sense. Under the current economic finesse of Bush Democrats, running the national party, the airport project will crash before takeoff.

High school dropout rate at 41%

In a city which was home to the World War II Manhattan Project and boasts one of the largest concentrations of colleges and universities in the nation, more than one-half of its high school students now score in the bottom 1 percentile on college entrance examinations. The public school dropout rate stands at 41%, and graduates include a significant number of Chicago's estimated 600,000 illiterate adults.

In the past, many high school graduates turned to Chica-

go's City College system for advancement into skilled jobs and four-year colleges and universities. Today the 80-year-old City Colleges of Chicago system grants diplomas and certificates to only 3% of its students yearly. The system, operating with inadequate plant and classroom resources—including books!—has instead become the educator of last resort in basic literacy and GED high school diploma equivalency classes. While struggling to fulfill this important role in dank basements, storefront churches, and community centers, the City Colleges system has become a shadow of its former self. Part-time faculty are paid \$12 an hour and have no health insurance benefits.

Even the current anemic funding levels of Chicago's schools are now dependent on an as-yet-unrenewed 20% state income tax surcharge. But Illinois Gov. Jim Edgar has announced that public schools will get even less, due to the emerging state budget crisis. More ominously still, property taxes, which have served as the basic funding source for Illinois schools, will be "capped" this year—the California "Proposition 13" treatment of a decade ago. To make ends meet, the Chicago school system's building fund and teachers fund have been looted to pay teachers' wages. The Chicago schools are already selling 14-22 year maturity "college bonds" to raise current operating funds.

Exploding AIDS cases, prison population

To round out this unforgiving picture, the plight of social services was ignored in the recent city election campaigns, contributing to the lowest voter participation since 1971.

- Eleven percent of Illinois citizens receive financial assistance, the largest number since the Great Depression. The number increased by 12% in 1990 alone. Illinois' new governor has only in the last days made public \$1 billion in required budget cuts, including in General Assistance. General Assistance pays \$165 a month per person, enough to provide "cigarettes, food, an occasional hotel room, and clothing."

- A dozen Chicago hospitals have closed during the 1980s, victims of chiseling Medicare reimbursements that drove hospitals into the red. With the AIDS epidemic out of control, Cook County hospital, the Chicago area's main hospital for the poor, is threatened with \$90 million in Medicare and Medicaid funding cuts. The reason: an antiquated facility without even minimal fire safety systems.

- The Illinois prison system led the nation in 1990, with a 21% jump in the prison population. State officials project that 13 new prisons would be required to handle this spiraling result of societal breakdown. In Cook County (Chicago), the jail currently houses 1,100 inmates on the floor. Such figures mirror the fact that the United States currently incarcerates more of its citizens than any other nation in the world.

Governor Edgar had made his position clear: "The budget that I propose . . . will answer the questions of the bondholders out East. . . . It will not please a lot of people here in Illinois."

South America

IMF policies cause holocaust of disease

by Cynthia R. Rush

Although the Peruvian government has announced that "only" 54,000 people are infected with cholera, experts from Peru's own Health Ministry are estimating that the real figure could be as high as 150,000. In the northern coastal city of Chimbote, where the first outbreak occurred, a second wave of the disease is sweeping the city. Bishop Luis Bambarén reports that there are 500 new cases per day there, and over 100 deaths—compared to the government's report of 250 deaths nationwide. Two hundred cases of malaria and 50 cases of a relatively new and painful infectious disease known as uta have also been reported in the same area. In the port city of Callao, near Lima, there are 60 new cases daily, up from an average of 23. The Peruvian press is reporting that the disease is now "uncontainable."

Initially restricted to Peru's coastal areas, cholera has now crossed the Andes Mountains and reached the inland jungle city of Iquitos, where 11 cases have been reported. Iquitos is just a few hours by ship from the Brazilian city of Tabatinga in the Amazon, and Brazilian Health Minister Dr. Alceni Guerra has admitted that Tabatinga could be the disease's port of entry into Brazil. Twenty cases of cholera have also now been reported in Ecuador, to the north of Peru, most likely carried there by Peruvian fishermen. Ecuadoran Health Minister Plutarco Naranjo denied that these cases constituted a national emergency—"at least not yet."

The Feb. 18 issue of the Peruvian magazine *Caretas* reported that cholera is really the "eighth plague," appearing in the wake of seven others, including dengue fever, malaria, yellow fever, Chagas', tuberculosis, and uta. Tens of thousands of people die of these diseases each year.

Why Peru? Bombs have not fallen there the way they have on Iraq. But the destruction produced as a result of years of the International Monetary Fund's austerity policies very much resembles what's left when the bombers get through. IMF-dictated budget cuts and "adjustment" programs imposed by the free-marketeters who think paying the foreign debt is more important than protecting human life, have devastated infrastructure, energy resources, sanitation, and health services, making it impossible to prevent or adequately treat cholera or any of the other diseases.