

A 'post-industrial' descent into hell

by H. Graham Lowry

The "post-industrial society" imposed on the United States is rapidly pushing more and more Americans into the abyss. The disaster is being compounded by incompetent policymakers and economic forecasters offering more of the same as the solution to the crisis.

On Sept. 17, Maryland Gov. William Donald Schaefer announced a round of devastating new budget cuts—for the *eighth* time in two years. The brunt of the \$400 million cutback will again fall on the poor, slashing nearly \$90 million in health and welfare programs for the neediest.

Schaefer wants to cut off 30,400 people from Medicaid assistance and reduce services for those remaining on the rolls. The move will "save" \$50.2 million, while condemning tens of thousands of disabled single adults to no health care at all. Another \$15 million will be cut from funds for nurses and other staff in local health departments. Eligibility requirements for those needing nursing homes will also be tightened. General assistance will be cut by 25%, to \$150 per month, while Aid to Families with Dependent Children (AFDC) will be slashed to \$359 a month for a family of three. Advocates for Maryland's poor say it is impossible to rent an apartment for that amount, so the number of homeless will rise substantially, since AFDC benefits support 220,000 Maryland residents.

California's new budget, finally adopted Sept. 2 after a two-month deadlock, cuts overall spending by 5.2% to \$57.6 billion. Gov. Pete Wilson's office says more cuts are inevitable if there is no economic recovery. Meanwhile, aid to local governments has been slashed by \$1.3 billion, and health and welfare programs by \$1.7 billion. The budget also eliminated state mandates requiring counties to provide a minimum level of health and welfare services. Even with those services, more than a million Californians were denied medical care last year because they lacked the money or health insurance to pay for it.

The victims of incompetence

State government deficits continue to mount, compounded by blundering economists who obsessively deny the depression and project prosperity just around the corner. In Maryland's case, the budget which took effect July 1 had already been cut \$513 million from last year's level, to \$12.1

billion. The current deficit—\$450 million in less than three months—is the shortfall against the state's official forecast that revenues would increase by 6%!

California's budget shortfalls have been so devastating that even the forecasters are hedging their bets. The University of California at Los Angeles Business Forecasting Project, which in June projected an upturn in California employment during 1993, issued a revision Sept. 17 predicting continuing job losses for the next year and an unemployment rate of over 11%. Budget cuts will translate into the loss of 37,000 government jobs by next summer, according to the forecast. Aerospace will lose another 30,000, bringing that sector's total decline to 110,000 over three years. The forecast's director estimates that, at current rates, California's defense sector would disappear by 1997, and its entire aerospace industry would be wiped out by the year 2003.

A grim fate has already descended on the victims of prior budget cuts. A survey released Sept. 16, of the 82,000 Michigan adults cut off from general assistance last Oct. 1, found them suffering rampant homelessness, hunger, and unemployment. A random sample of 55,000 former recipients in eight counties indicated that 20,000 of them have been evicted from their homes; another 20,000 have no regular place to stay. At least 27,000 had gone hungry for a day or longer, and more than 83% are still without jobs. The number of destitute persons will continue to rise sharply. An Eastern Michigan University study estimates that the plant shutdowns General Motors has announced in Michigan will eliminate 56,000 jobs in related manufacturing, retail, service, and government employment, on top of the 23,000 auto layoffs which will directly result from the cutbacks.

For New York City, its annual management report projected Sept. 17 that welfare rolls will explode next year to an all-time high of more than 1.1 million—an 11.5% surge in just 12 months. At that level, one in every seven New Yorkers would be living on welfare, and tens of thousands more on even less than that. The number of recipients, which stood at 810,000 in 1989, passed the million mark in July of this year for the first time since 1976. "There are some real disturbing trends in terms of a city mired in a deep depression," the compiler of the study reported.

Such are the results of the "post-industrial society." Pennsylvania reported Sept. 17 on the extent of the shift in its work force, once dominated by productive blue-collar workers. During the 1980s, the number of blue-collar operatives shrank by nearly 30%, while managerial jobs bloated up by nearly 39%. In Pittsburgh's former steel belt, the blue-collar work force was reduced during the 1980s by over 45% in Beaver County, and by more than 37% in Allegheny County. Non-productive jobs in technical fields, sales, and administrative support accounted for nearly 32% of all jobs in the state in 1990. On Sept. 16, some 670 people showed up to apply for 25 factory jobs at the Corning Glass Works in Charleroi, at \$7.10 an hour.