

The Vote

In New York:

Everybody Was for the Bond Issue Except the People

Everybody was for the Transportation Bond issue: the Governor, the Mayor, good government groups, businessmen, labor unions, both major parties. Everybody but the voters.

So it was that last Tuesday—ignoring a last-minute Madison Avenue advertising blitz—New Yorkers went to the polls and slapped down the polls. In the process, they plunged the state and the city into a fiscal crisis of historic proportions; the likely results: a statewide cutback in essential services and an increase in New York City's transit fare.

In the wake of the bond issue's demise, the political pallbearers sought answers to some tough and important questions. Why did it happen? What will it mean to a state and city already strapped by austerity budgets—and, incidentally, to those unlikely partners in defeat, Governor Rockefeller and Mayor Lindsay? What can be done to avoid total disaster?

There were signs that the bond issue was in trouble even before the polls opened. The Governor personally called a newspaper office to complain about a story, and the Mayor called his Air Resources Commissioner, Robert N. Rickles, a "damn fool" and "a nut" for opposing the bond issue. In politics, as in sports, that's called "choking up."

But there was little advance indication of the extent of the bond issue rout. (It lost by 900,000 in a total vote of 4 million.) The proposition was supposed to do well in the city, particularly after the Governor and the Mayor made their much-publicized deal to use some of the bond proceeds to hold the transit fare at 30 cents. Instead it was defeated in Brooklyn,

Queens and Staten Island and just barely passed in Manhattan and the Bronx.

Upstate, where some trouble had been expected, it was a disaster. The

proposition was approved in only a handful of the 53 counties, most of them along the New York-Pennsylvania border where the Southern Tier Expressway is under construction with the bond issue proceeds to be used to finish the job. In the New York City suburbs, the bond proposal was trounced, even though there have been noticeable improvements on commuter railroads as a result of the last \$2.5-billion transportation bond issue approved in 1967.

Returning to form and disagreeing, the Governor and the Mayor in their Wednesday morning quarterbacking had different explanations for the defeat.

"This is a reflection of the national mood . . . the people don't want to take on new taxes," the Governor said. It was a vote for "belt-tightening."

The Mayor didn't see it that way. "The vote on the bond issue was a rebellion against concrete," he said. Many city residents believed that almost all rather than about half of the bond issue proceeds should have been earmarked for mass transit rather than highways. They had their counterparts upstate who didn't take kindly to voting for a bond issue to save the subway fare at 30 cents when they often pay up to 50 cents for bus fare.

Other politicians and the City Club spoke of a "credibility gap" on transportation stemming from many unfulfilled promises made in behalf of earlier bond issues in 1951 and 1967. The Second Avenue subway, for example, was first pledged 20 years ago. It still isn't even a hole in the ground.

The style of the "Vote Yes" campaign, some observers felt, had turned another kind of credibility gap into a mighty chasm. It had to do with the attitudes of New Yorkers toward their Governor and Mayor. One high Republican, who campaigned for the issue, said he encountered many voters who said: "If those two blankety-blanks are for it, something must be wrong."

Voters were treated to the sight of the Dynamic Duo riding up to subway stations in their chauffeured limousines for a little mixing with the masses on behalf of the bond issue. One politician suggested that the election-eve photograph of the Duo plus William J. Ronan, chairman of the Metropolitan Transportation Authority, straphanging amidst the photographers, probably cost the bond issue thousands of votes. "It was so patently phony," he said—more in anger than in sorrow.

Whatever the reasons, the bond issue went down like the Titanic. And it left state and city officials with a terrible sinking feeling.

The first installment of what another politician called "Son of Fiscal Crisis" began hours after the vote was counted and only a few months after the latest fiscal dramas in Albany and New York City had been at least

temporarily "resolved." A series of summit conferences involving the Governor, the Mayor, legislative leaders and various coat-holders and sword-bearers had brought forth: a 1-cent rise in the sales tax, other tax increases, plus some mirrors and other fiscal flimflammy.

The results had been sharp cuts in the welfare and Medicaid allowances; layoffs of nearly 10,000 state workers and a freeze on hiring that still stands; a cut from 21 to 18 per cent in the localities' share of the state revenue-sharing program only a year after the program got under way; reductions in the City University budget, and a virtual halt to any new programs in a state and city that traditionally have been the most liberal and progressive in the nation.

The Governor had looked to the bond issue to provide all the funds for the next few years for needed transit improvements and the state's traditional highway building program, so that general tax revenues could be used exclusively for education, welfare and other nontransportation items.

To compound the fiscal chaos, the current state budget is already out of balance. As part of his campaign to promote the bond issue, the Governor, far earlier than usual, confessed to his constituents that state tax revenues were lagging by a projected \$470-million because of the national economic slowdown.

That prospective deficit nearly doubled with the bond issue defeat because the Governor, like a poker player betting next month's rent, had included in his current budget \$300-million from the big bond issue that is not there. It was a long way from the Rockefeller, circa 1955, and "pay-as-you-go" state financing.

State fiscal wizards were already talking last week about such sleight of hand tactics as deferring tax refunds and other state payments for the next fiscal year and even borrowing on anticipated taxes to relieve the crunch. But they also emphasized that the real meat and potatoes savings will come from reductions in state aid to localities, which accounts for nearly two-thirds of the entire state budget.

That means that the Governor and the Mayor are partners in the fiscal crisis whether they like it or not. When the state gets a pain in the pocket-book, the city, which gets nearly one-third of the state's funds, winces.

The 30-cent transit fare was also jeopardized by the defeat of the bond issue, but most politicians believe that the Governor and the Mayor, after much fancy footwork and buck-passing, will come to some agreement to prevent the fare from jumping to 45 cents. Such an increase would make a ghost town out of this city," said one politician, envisioning an accelera-

tion in the number of businesses leaving the city.

City officials are also hopeful that the transit fare, which was frozen under President Nixon's wage-price freeze, will continue to be iced in Phase Two. Under this reasoning, there would be only a small increase, if any.

The most likely solution to the transit fare is state permission for the city to borrow subsidy money and maybe even a state loan to the city in anticipation of Federal mass transit aid. These two plans were the essential features of the Rockefeller-Lindsay bond-issue agreement two weeks ago.

Normally, the Republican-dominated Legislature would not be overly concerned with saving the transit fare or even keeping the increase to 5 cents. But Albert H. Blumenthal, deputy minority leader of the Assembly, pointed out that commuters were also threatened with fare increases by Dr. Ronan if the bond issue went down. "The only saving feature is that the Long Island Railroad fare is also threatened," said Mr. Blumenthal. A suburban-city coalition can command a majority in the Legislature.

To compound the city's problems, it also had gambled on passage of a community development constitutional amendment that would have permitted the city to borrow \$300-million outside its debt limit for capital construction. The amendment went down with the bond issue and now these projects must be canceled or paid for with borrowed funds diverted from other areas.

With few signs of any major improvements in the economy, more layoffs, cuts in government services and aid seem inevitable at both the state and local levels.

As one cynic put it: "The Mayor may even have to lay off some of his advance men." Many of those who have been organizing the Mayor's trips out of state to test a possible Presidential candidacy are on the city payroll.

The remark pointed up the political implications of the bond issue defeat for both the Governor and the Mayor. For one thing, it demonstrated that their appeal in their home state is hardly irresistible. They said yes in unison—for a change. The voters said no.

It also meant that they will be spending the next six months bickering over such less-than-cosmic matters as subway fares and budget cuts. Not very good imagery for a Mayor who obviously wants to be a President and a Governor who once did, but is said to have lowered his sights to Cabinet level in a second Nixon Administration.

The irony of the situation was not lost on many politicians: the two bitter