

Who Killed LA? A Political Autopsy

It was the most extraordinary conjuring feat in modern American political history. The spring presidential primary season had barely opened when a volcano of Black rage and Latino alienation erupted in the streets of Los Angeles. Elite Marine and Army units fresh from the Gulf War had to be landed to restore order to the bungalows of Compton and Watts. While the world press editorialized apocalyptically about the ‘decline of America’, a grim-faced procession of inner-city leaders from Oakland to Bedford-Stuyvesant warned that their neglected neighbourhoods too were tinderboxes awaiting a spark. They recalled the 164 major riots—the ‘Second Civil War’ some warned at the time—that spread through urban ghettos like wildfire for three summers after the original ‘Watts’ rebellion in 1965.

The presidential candidates, meanwhile, jostled each other for the photo opportunity of squaring their jaws amidst the smoking ruins of New Jack City. President Bush found meetings with residents ‘very emotional, very

moving' and vowed that government had 'an absolute responsibility to solve inner-city problems'.¹ As the campaign promises flowed like honey, political columnist William Schneider reassured local leaders that 'hundreds of millions of dollars will be funneled into LA'. The Los Angeles *Times*, meanwhile, applauded President Bush and the House Democrats for joining together to take 'swift action to bring relief to the nation's cities'.²

1. The City Vanishes

Yet within weeks, and before a single scorched minimall had actually been rebuilt, the Second Los Angeles Riot, as well as the national urban-racial crisis that it symbolized, had been virtually erased from political memory banks. The Bush administration's 'new fervour' for urban reform quickly re-cooled into glacial indifference. When the US Conference of Mayors, for example, brought 200,000 marchers to the Capitol on 16 May under the banner 'Save Our Cities, Save Our Children!', White House Press Secretary Martin Fitzwater simply shrugged his shoulders and complained, 'I don't know anything about it. We have marches every weekend'. The major palliative that Bush offered distressed cities in his stump speeches was an authoritarian 'Weed and Seed' plan to place job training and community development funds under the jurisdiction of the Justice Department's war on gangs. Vice-president Quayle, meanwhile, haughtily advised Mayor Bradley that if he really wanted to rebuild Los Angeles he should raise money by selling off the city's international airport.³

Amongst the Democrats only Jerry Brown remained an outspoken, if late-in-the-day, advocate of the big city mayors and their constituencies. His defeat in the June California primary ended, for all intents and purposes, further debate on urban poverty or the future of the cities. In the sharpest break yet with New Deal ideology, the 1992 Democratic Platform, drafted by Clinton supporters under new rules that eliminated formal amendment and vote-taking, scrapped traditional rhetoric about urban needs in favour of Republican-sounding emphases on capital formation and tax breaks for entrepreneurs. Clinton himself carefully 'tiptoe[d] around the issues of urban problems and race'. Every direct question about the Los Angeles uprising or the cities' fiscal crisis was met with neutered technobabble about 'micro-enterprise zones' and 'infrastructure'.⁴

Listening to the fall presidential debates, it was almost impossible to avoid the suspicion that all three camps, including Perot redux, were acting in cynical concert to exclude a subject that had become mutually embarrassing. The word 'city'—now colour-coded and worrisome to the candidates' common suburban heartland—was expunged from

¹ Quoted in Burt Solomon, 'Bush and Clinton's Urban Fervor...', *National Journal*, 16 May 1992, p. 1196.

² Quoted in the Los Angeles *Times*, 17 May 1992.

³ Cf. Rochelle Stanfield, 'Battle Zones', *National Journal*, 6 June 1992, p. 1349; and Kirk Victor, 'Fiscal Fire Sale', *ibid.*, 27 June 1992, p. 1514.

⁴ See Jack Germond and Jules Witcover, 'Clinton's at Risk After Riots in L.A.', *National Journal*, 9 May 1992, p. 1137.

the exchanges. Thus the thousand-pound gorilla of the urban crisis was simply and consensually conjured out of sight. Indeed, if the verdict of the 1992 election is taken seriously, the big cities, once the very fulcrum of the Rooseveltian political universe, have been demoted to the status of a scorned and impotent electoral periphery.

For the weary populations of Detroit or Buffalo this may be old news. But in Los Angeles, which until recently had been preoccupied with fantasies of becoming the Byzantium of the Pacific Rim, it was a brutal shock. To the incredulity of local observers, the spring riots proved to be almost non-negotiable political currency outside Southern California. If the 'white backlash' turned out to be more subdued than predicted, there was, symmetrically, very little national sympathy with Los Angeles' problems or its quest for state and federal aid. Its own affluent suburbs helped sabotage a bipartisan 'urban rescue' bill in Congress, while the Governor and legislature in Sacramento figuratively burned down the city a second time with billions of dollars of school and public-sector cutbacks.

Unexpectedly left to their own devices in the thick of the worst economic crisis since 1938, Los Angeles' elites have invested inflated hopes in Rebuild LA (RLA), the corporate coalition headed by Peter Ueberroth, the czar of the 1984 Olympics who was given a virtually messianic mandate by Mayor Tom Bradley to save Los Angeles. When it became clear that the city would not receive any significant aid from either Sacramento or Washington, Ueberroth dramatically announced that RLA's corporate sponsors had already pledged more than a billion dollars in a new investment for Los Angeles' inner-city neighbourhoods. Quick-witted reporters, however, immediately interviewed Ueberroth's corporate Good Samaritans, half of whom emphatically denied making any such commitment. In the eyes of many, RLA was thereby exposed as the philanthropic equivalent of the classic Ponzi scheme: mendaciously pyramiding false promises into purely fictitious community 'rebuilding'.

This relentless melting of illusions in the context of the national non-debate about the urban crisis has left a refractory residue consisting of only the most base elements. In City Hall, for example, substantive discussion of community-level reform has been supplanted by monomaniac anxiety over police preparedness to deal with the new riot that virtually everyone now concedes is inevitable. Similarly, the current (Spring 1993) mayoral race—arguably the most important in the city's history—has been largely reduced to a tawdry auction between competing schemes to lay off public employees in order to afford more cops. Even more depressingly, an embittering competition over shrinking resources, which RLA has only enflamed, has brought the Black and Latino communities to the brink of open street warfare. Local pundits now talk ominously about the city's 'Yugoslav disease' as it Balkanizes into intercommunal strife.

In sum, the national and local responses to the 1992 Los Angeles uprising have revealed a doom-ridden inertia and shortage of reform

resources at every level of the American political system. It is certainly a far cry from 1965 when the Johnson administration steamrolled its huge Model Cities bill through Congress soon after the first Los Angeles riot. From an offshore perspective, moreover, the current situation must seem inscrutable if not incredible: what other affluent nation, much less planetary superpower, would tolerate such high levels of disorder in its second largest city? Is it conceivable that a suburban political majority is actually prepared to write off the future of Los Angeles (and possibly New York)? Won't the new Clinton administration have to ride to the rescue?

In the guise of analyzing the various political responses to last year's uprising, this article explores the formidable obstacles in the path of any resumption of urban reformism in the 1990s. The first half examines the debacle of 'riot relief' legislation in Washington and Sacramento, where fiscal crisis has been the forcing house of a new anti-urban federalism. On Capitol Hill, Gramm-Rudman, Perot and the international bond markets have tied a Gordian knot around urban policy that Clinton probably dare not cut. At the same time, a new version of the old Congressional conservative coalition has emerged that unites suburban and rural representatives in both parties against any federal reinvestment in the minority-dominated big cities. Meanwhile, a less visible, but equally consequential, counter-revolution has been taking place on the state level since 1989. Key industrial states, including California, Ohio, Michigan and Illinois, have radically reduced traditional welfare and educational entitlements with devastating results for their major urban cores.

The second half of this article (to appear in the next issue) will focus on the local politics of 'rebuilding LA' in a wintry climate of dwindling federal and state assistance. Despite the crisis in its local credibility, Ueberroth's RLA has been internationally embraced, by everyone from Jimmy Carter to the *Economist*, as the paradigm of the new corporate voluntarism that is expected to save declining American and British cities. In real life, however, RLA's hype has simply displaced attention from the savage hollowing out of public services and employment. For example, Los Angeles' formerly vaunted school system now compares unfavourably to Mississippi's, while community health standards have fallen to third-world levels. Although nativists have tried to blame last year's disturbances on the impact of promiscuous immigration, it is the accelerated decay of the public sector that best explains the rising tensions between different ethnic communities—in Los Angeles and elsewhere.

Part One: The War on the Cities

2. The Republican Wilderness

Flying home from Houston on Air Force One the day after his defeat, George Bush had the perverse consolation of vetoing the urban aid bill that he had helped launch six months before. Originally designed as a streamlined rescue package for riot-damaged Los Angeles and

flood-stricken Chicago that combined federal emergency finance with enterprise-zone tax exemptions, the bill had become so grotesquely ornamented with expensive amendments that, according to Bush, it was now just a 'christmas tree'. He bitterly blamed the Democrats for abandoning Los Angeles to a 'blizzard of special interest pleadings'.⁵

In fact, Bush himself had decorated the tree. The White House was directly responsible for attaching most of the ornaments, including amendments to help the urban poor by repealing luxury taxes on boats, planes, furs, and jewelry, as well as new tax breaks for real-estate investors. What actually upset Bush most about the final form of the bill was a Democratic rider that proposed ending tax deductions for club dues: an unfair burden on the rich that might be interpreted as a stealth tax increase.

Historians may someday debate why the Republicans' callous refusal to help Los Angeles did not provoke a national scandal, or at least give the Democrats valuable campaign ammunition. (The Clintonians deliberately declined the gift.) In its major features, the Bush administration's response to the Second Los Angeles Riot was an inverted mirror image of the Johnson administration's response to the First. In 1965 the LAPD's Chief Parker (assisted by the National Guard) retained total control over law enforcement while the federal government provided massive financial aid through its new urban programmes. This time around, however, repression was immediately and dramatically federalized, while the rebuilding was left to shoe-string local efforts and corporate charity.

There is, of course, an eerie indistinguishability in all the military interventions, 'humanitarian' or exterminist, of the Reagan-Bush era. The fuzzy video images of the Marines or 82nd Airborne in the streets of Panama City, Miami, Los Angeles, Grenada, or Mogadishu all look alike and the prone figures on the ground are always Black. But the rapid deployment of federal combat troops to South-Central LA was only one leg of the tripod of policies—an iron-fisted 'Bush Doctrine' for troubled US cities—unveiled last May. Wielded into action with equally impressive speed, for example, was an unprecedented taskforce of federal law-enforcement agencies mandated to track down and prosecute riot felonies. The large FBI and INS components of the taskforce were later reorganized as permanent anti-gang units in line with Attorney General Barr's dictum that the Crips and Bloods, together with criminal illegal aliens, have replaced Communism as the major domestic subversive threat. This is also the official legitimization for the third leg of the tripod: the 'Weed and Seed' programme that ties neighbourhood-level federal spending (the 'seeds') to active collaboration with the war against the gangs (the 'weeds').

If, in tendency, 'Weed and Seed' prefigures the ultimate absorption of the welfare state by the police state, the parsimony of federal seed money has ensured that the actual results are less dramatic. Non-law-enforcement aid to Los Angeles has amounted to scarcely more than

⁵ Los Angeles *Times*, 4 and 5 November 1992.

smoke and mirrors. A month after the riot, for example, HUD Secretary (and presumed 1996 Republican presidential front-runner) Jack Kemp showed up with a fat press *entourage* at Nickelson Gardens Housing Project in Watts to announce that his department was giving Los Angeles \$137 million in housing assistance. The national press recorded the local elation at this unexpected windfall, but generally neglected to report the subsequent rage when Kemp's gift turned out to be nothing more than funds already in the pipeline.⁶ Likewise the White House (which had previously blamed the riot upon the legacy of the Great Society) established an awesomely named 'Presidential Task Force on Los Angeles Recovery', headed by obscure deputy secretaries of Housing and Education, whose sole function was the repackaging of existing programmes as dynamic Bush initiatives.

These sleights of hand allowed Republican campaign publicists to portray huge fictitious sums of assistance to Los Angeles when, in fact, the administration was blocking small business loans and food stamps to tens of thousands of needy residents in riot-impacted neighbourhoods. According to city officials fully 60 per cent of eligible riot victims were denied disaster assistance, and the Federal Emergency Management Agency even balked at reimbursing \$1 million to the state for establishing disaster application centres.⁷ In contrast, affluent Florida suburbs, damaged by Hurricane Andrew and seen as crucial to a November Bush victory, received massive, fast-tracked relief.⁸

In the end, the White House's only decisive response to Los Angeles's pleas for federal help, apart from Marines and FBI agents, was an audacious scheme to loot the city's major public assets. Behind Dan Quayle's seemingly off-handed remark about selling LAX was a concerted effort by advocates of radical privatization to force an urban fire sale. These latterday privateers were led by Robert Pool, Jr., founder of Los Angeles' rightwing Reason Institute, John Giraud, former counsel to President Reagan's privatization commission, and C. Boyden Gray, the chief counsel to President Bush. With Quayle riding roughshod over budget chief Richard Darman's scruples, Bush issued an executive order that paved the way for hardpressed cities to sell off \$220 billion worth of federally-financed public works, ranging from sewerage treatment plants to turnpikes and airports. An exultant Pool hailed the order as little short of a 'Magna Carta for privatization'.⁹

It was also another striking instance of how closely Washington's policy toward the cities has come to resemble the international politics of debt. In the Reagan-Bush era the big cities have become the

⁶ Ibid, 2 June 1992.

⁷ See criticisms of FEMA by local and state officials in *Los Angeles Times*, 11 January 1993.

⁸ See Neal Peirce, 'A Riot-Ravaged City is Still on Hold', *National Journal*, 10 October 1992, p. 2325.

⁹ The local press largely missed this extraordinary story. See Victor, *op cit*, pp. 1513-1516.

domestic equivalent of an insolvent, criminalized Third World whose only road to redemption is a combination of militarization and privatization. Otherwise, the Republicans have been absolutely adamant over the last twelve years in embargoing aid to the cities. Indeed, this *de facto* war against the cities has been one of the great strategic projects of modern conservative politics, embodying profound electoral and economic objectives.¹⁰

On the one hand, from the moment of victory in 1980, Republican ideologues were urging a ‘Thatcherite’ offensive against core Democratic constituencies. The American Enterprise Institute, in particular, promoted the ‘win-win’ logic of ‘blow[ing] up the political infrastructure of the urban Democratic Party’ by killing programmes like the Urban Development Action Grants (UDAGs) ‘that buy power for people who walk around with a capital D’.¹¹ By savagely cutting back urban aid, they hoped to bury the remains of the Great Society and deepen the schism between Black inner-city and White suburban Democratic constituencies.¹²

On the other hand, federal disinvestment in the big cities was also supposed to liberate the animal spirits of urban capitalism. As Barnekov, Boyle and Rich point out, this canonical Reagan-era precept, like so many others, was actually incubated in the second half of the Carter Administration. It was Carter’s Commission for a National Agenda for the Eighties that rejected ‘centrally administered national urban policy’ as ‘inconsistent with the revitalization of the larger national economy’. According to the Commission, Washington had to ‘reconcile itself’ to the decline of older industrial cities and not interfere with the rise of a new ‘postindustrial economy’ by directly aiding distressed communities.¹³

Within the Reagan administration this resurgent Social Darwinism was given an even more implacable edge by Emmanuel Savas, the assistant secretary of HUD in charge of policy development. In various articles and official reports, Savas argued that federal urban policy had

¹⁰ It is important to contrast the different urban strategies of the Nixon-Ford and the Reagan-Bush regimes. Nixon’s ‘New Federalism’ did not so much seek to dismantle the Great Society as to reallocate its benefits to the ‘new Republican majority’ in Sunbelt cities and suburbs. He and Ford expanded urban grants-in-aid but rerouted them away from the Democratic big-city heartland in the Northeast toward the urban South and West. Nixon also ended the ‘maximum feasible participation’ era of the War on Poverty and returned administrative control over federal grants to traditional cityhall elites. Thus in urban policy as in foreign policy, the Reagan revolution was as much orientated against the legacies of Nixon and Ford as against those of Johnson and Kennedy.

¹¹ American Enterprise Institute budget expert Allen Schick quoted in the *Wall Street Journal*, 4 February 1985, p. 4.

¹² For an extended discussion see my essay, ‘The Lesser Evil? The Left, the Democrats and 1984’ in *Prisoners of the American Dream*, Verso, London and New York, 1986, pp. 267–270.

¹³ President’s Commission for a National Agenda for the Eighties, *Urban America in the Eighties: Perspectives and Prospects*, and *A National Agenda for the Eighties*, Washington D.C. 1980—quoted in Timothy Barnekov, Robin Boyle and Daniel Rich, *Privatism and Urban Policy in Britain and the United States*, Oxford 1989, pp. 101–105.

been a complete failure and that cities had to be weaned, however brutally, from their artificial dependence upon Washington. Casually admitting that ‘not all cities will benefit equally, and some may not benefit at all’, Savas—supported by Budget Director David Stockman—advocated a competitive acceptance of the new discipline of the world economy and a thoroughgoing privatization of local government services. It was time for cities to stop being welfare cases and learn to become lean, mean entrepreneurs. Thus the 1982 National Urban Policy Report drafted by Savas envisioned an inter-urban war of all against all as cities were advised to ‘form partnerships with their private sectors and plan strategically to enhance their comparative advantages relative to other jurisdictions’.¹⁴

Returning the cities to the Darwinian or Hobbesian wilderness, however, required massive Democratic complicity. The Republicans shrewdly calculated that Southern and suburban Democrats, given a suitable pretext, were ready to help put the knife in the back of their big city brethren. (Carter, after all, had already frozen urban spending in 1978.) This is exactly what happened in 1985–86 when the Congressional Democratic leadership allowed general revenue sharing to be killed in committee and exposed urban grants to across-the-board cuts under the Gramm-Rudman deficit-reduction process.¹⁵ The stiletto was given another vicious twist in 1988 when three-quarters of Southern Democratic representatives voted to eliminate UDAG in order to finance a major funding increase for NASA’s Space Station.

Two years later, while cutbacks in federal aid were driving cities into their worst financial crisis since the Depression, the House Democratic leadership negotiated a budget compromise with the White House that precluded an urban bailout in the foreseeable future. Although Washington had twice invented ‘fiscal emergencies’ to sidestep Gramm-Rudman and finance the Gulf War and the s&l bailout, it simply ‘yawned’ in face of the US Conference of Mayors’ urgent plea for a domestic Marshall Plan.¹⁶ Indeed, in passing the Budget Enforcement Act of 1990, with its moratorium on social spending, the Democratic majority abdicated any remaining pretence of committed opposition to the city-killing policies of the Bush administration. It was the last nail in the coffin of the New Deal.

3. The Body Count

Abandoned by the national Democratic Party to the ill winds of ‘post-industrialism’, the big cities have faced massive federal disinvestment

¹⁴ Quoted in *ibid*, pp. 105–107. Barnekov, Boyle and Rich is an indispensable analysis of neo-conservative urban policy.

¹⁵ See Timothy Conlan, *New Federalism: Intergovernmental Reform From Nixon to Reagan*, The Brookings Institution, Washington D.C. 1988, p. 233. Previously in 1982 Ted Kennedy had joined hands with Dan Quayle to kill tens of thousands of local public-sector jobs supported by the Comprehensive Employment Training Act (CETA) of 1973. (See pp. 175–76.)

¹⁶ For Democratic indifference to the seven-point-plan proposed by the Mayors in January 1992, see Rochelle Stanfield, ‘Cast Adrift, Many Cities are Sinking’, *National Journal*, 9 May 1992, p. 1122.

at the very moment that deindustrialization and the epidemics of the 1980s (AIDS, crack, homelessness) were imposing immense new financial burdens. In an important study, Demetrios Caraley estimates that the 64 per cent cutback in federal aid since 1980 had cost cities \$26 billion per year (in constant 1990 dollars). For cities with more than 300,000 inhabitants, the average federal share of the municipal income stream has plummeted from 22 per cent in 1980 to a mere 6 per cent in 1989.¹⁷ Since state aid, nationally averaged, has remained constant at 16 per cent, cities have had to make up the shortfall with local resources: usually very regressive sales taxes and user fees.

Table One focuses on the impact of the federal retreat from ten of the biggest cities. If Los Angeles has endured the steepest decline in budget share, the Republican war on the cities has probably inflicted the greatest absolute damage on Philadelphia and New York. Despite being placed under a virtual receivership by the state legislature, Philadelphia has lurched from one giant deficit to another since 1990. From Harlem to Flatbush, meanwhile, the missing federal aid has spelled the difference between the preservation of the New York's La Guardian legacy and Mayor Dinkins' current 'doomsday budget' with its twenty-thousand lay-offs. Forced to abandon redistributive programmes and too broke to pave streets or modernize sewer systems, America's pariah big cities struggle simply to pay their financial creditors and keep a thin blue line of cops in uniform. As Ester Fuchs sombrelly notes, the coincidence of protracted recession and federal disinvestment ensures that 'the prospects for urban America in the 1990s are in many ways worse than they were during the Depression era'.¹⁸

Table One

Federal Contribution (%) to Budgets, Selected Big Cities¹⁹

	1977	1985
1. New York	19%	9%
2. Los Angeles	18%	2%
3. Chicago	27%	15%
4. Philadelphia	20%	8%
5. Detroit	23%	12%
6. Baltimore	20%	6%
7. Pittsburgh	24%	13%
8. Boston	13%	7%
9. Cleveland	33%	19%
10. Minneapolis	21%	9%

¹⁷ Demetrios Caraley, 'Washington Abandons the City', *Political Science Quarterly*, 107: 1, 1992, pp. 8 and 11. I have amended Caraley's estimate of the total percentage reduction in federal urban assistance with the figure from 'The Economic Crisis of Urban America', *Business Week*, 18 May 1992.

¹⁸ Ester Fuchs, *Mayors and Money: Fiscal Policy in New York and Chicago*, Chicago 1992, p. 288.

¹⁹ US Bureau of Census, *City Government Finances, 1977-78 and 1984-85*; and Preston Niblack and Peter Stan, 'Financing Public Services in L.A.', in James Steinberg, David Lyon and Mary Vaiana, *Urban America: Policy Choices for Los Angeles and the Nation*, the Rand Corporation, Santa Monica 1992, p. 267.

The Figures in Table One, moreover, may substantially understate the real social impact of the Reagan revolution on urban finance. As James Fossett pointed out in a 1984 Brookings Institution study, federal grants and revenue-sharing in the 1970s provided a much larger share of cities' operating expenditures than they did of their total budgets inclusive of capital outlays. By this alternative measure, federal aid to Los Angeles (42 per cent of the operating budget in the peak year of 1978) may have been twice as significant as Table One suggests.

Even more importantly, federal funds constituted the predominant public resource for many, if not most, poor inner-city neighbourhoods. Fossett estimated, for example, that 91 per cent of federal grants to Los Angeles benefited poor and moderate-income groups.²⁰ Needless to say, these grants also greased the wheels of community politics. As we shall see later, the Republican dynamiting of the federal aqueduct to the inner cities has forced an important political realignment. Deprived of the funds and patronage that formerly flowed from Washington, many local politicians and organizers drifted back during the 1980s—just as the Reagan ideologues intended—to Booker T. Washington-like dependencies on corporate paternalism. Similarly most community organizations have had to 'entrepreneurialize' themselves and their programmes to survive the long drought of federal aid.

In sectoral terms, meanwhile, the national urban programmes that have suffered the most pitiless retrenchment since 1980 have been subsidized housing (–82 per cent), economic development assistance (–78 per cent) and job training (–63 per cent).²¹ Again, as ideologically designed, federal aid has been cut off from cities precisely as they have confronted the most wrenching restructuring since the industrial revolution. Like the Irish tenantry during the Potato Famine of the 1840s, the contemporary American urban poor have been doomed by the state's fanatical adherence to a laissez-faire dogma. The decline in housing subsidies, for example, has helped put more urban Americans out in the cold than the great Depression, while the evaporation of job training funds and the termination of the Comprehensive Employment Training Act (CETA) have consigned myriads more to the underground drug economy. The United States is the only major industrial nation to respond to the international competitive regime of the 1980s by ruthlessly eliminating structural adjustment assistance to workers and cities.

Federal policy has also pummeled city labour-forces in other ways. Since the first wave of urban deindustrialization in the early 1970s, the local public sector and the US military have provided the most important compensatory employment opportunities for Black and Latino workers who, unlike their white counterparts, have been unable to move laterally into new suburban job slots or rise upward

²⁰ See James Fossett, 'The Politics of Dependence: Federal Aid to Big Cities' in Lawrence Brown, James Fossett and Kenneth Palmer, *The Changing Politics of Federal Grants*, The Brookings Institution, Washington D.C. 1984, pp. 121–24 and 148.

²¹ Cf. *Washington Post National Weekly Edition*, 11–17 May 1992, and Caraley, *ibid.*, p. 9.

into the financial centre professional-managerial strata. From the mid-1980s, however, the reduction of federal aid has accelerated the wage and workforce downsizing of local government that began tententially during the Tax Revolt of 1978–79. The security of city and county employment has been undermined by the massive privatization of everything from sanitation to jails and schools. Takebacks, contracting-out and wage deflation are now as common in the local public sector as they were in the private sector during the 1980s.

More recently, the end-of-cold-war shrinkage of the conventional military has closed the single most important employment option for ghetto and barrio youth. Since 1986 the percentage of young Blacks entering the armed forces has plummeted from 20 per cent to 10 per cent, while the overall non-white proportion of the military has fallen from one-third in 1979 to just one-quarter today.²² Minorities have also suffered disproportionately from the closure of domestic military bases, like San Bernardino's Norton Air Force Base, the largest employer of Blacks in Southern California's 'Inland Empire'.

But Washington's culpability in the current urban crisis extends far beyond the mere cutoff of financial aid. The Republicans have also blown up city budgets by deliberately shifting the costs of many national problems onto Democrat-dominated localities. They have imposed mandates to provide new services without providing additional funding. New York and Los Angeles, for example, are the principal ports of entry for the greatest immigration wave since the early 1900s, but the Bush administration has refused to pay them (or their state governments) the compensatory funds promised under the Immigration Reform and Control Act of 1988 (IRCA). Although several Southern California-based studies have shown that immigrants, undocumented as well as legal, contribute more in taxes than they consume, the federal government siphons off the net surplus via payroll taxes, leaving cities and counties with substantial deficits for services provided. Not surprisingly this federal refusal to reimburse local government for its role in *national* immigration policy only exacerbates anti-immigrant prejudice at a local level, which is then politically harvested by nativists and conservatives.

The War on Drugs, of course, is the other Reagan-Bush initiative that has imposed crushing costs upon cities. Editorially endorsing the findings of a recent Rand Corporation report that examined the Los Angeles riots in the context of national policy, the *LA Times* conceded that the War on Drugs had 'devastate[d] minority communities without significantly impairing narcotics distribution'.²³ The Rand researchers had shown that the exponential increase in drug offenders arrested (over one million every year) and imprisoned was simply money and lives wasted. Despite federal subsidies to local law enforcement, the criminalization of drug use is accumulating huge

²² See James Hosek and Jacob Klerman, 'Military Service: A Closing Door of Opportunity for Youth', in Steinberg et al, *ibid*, pp. 165–167.

²³ *Los Angeles Times*, 4 January 1993.

long-term social costs that will fall primarily on insolvent city and county governments.²⁴

Finally, as Table Two demonstrates, the Reagan-Bush era's various anti-urban policies, combined with huge tax subsidies to suburban retail and office development, have opened a new chasm of inequality between core cities and their suburban rings. Over the last decade traditional urban areas have lost a staggering 30 per cent of their job base while suburbs have seen employment soar by 25 per cent.²⁵ In some cases, like Washington D.C., the outer suburbs have accumulated fifteen times more per capita tax capacity than their dying cores.²⁶ A new, often startling, economic geometry has emerged as corporate headquarters and business services, following factories and shopping malls, have relocated to the highrise nodes strung like pearls on outer freeway rings, 20–75 miles from the old urban centres.

Table Two

Central Cities Compared to Suburban Ring (= 100%)²⁷

	1980	1990
1. households in poverty	360%	650%
2. per capita income	90%	59%

4. The New Spatial Apartheid

Much of what Joel Garreau and other authors have celebrated as the rise of the 'Edge City'—'the biggest change in a hundred years in how we build cities'²⁸—is the artifact of the vastly different federal policies toward metropolitan centres and peripheries. While Reaganism was exiling core cities into wilderness, it was smothering suburban commercial developers and renegade industrialists with tax breaks and subsidies. Most of the capital gains windfall of the 1980s that was supposed to technologically rearm corporate America for competition in the world market was actually siphoned into a vast over-building of office and retail space along the circumferential beltways and intercity corridors. Or, put another way, the 'spatial trickle-down' from national economic growth that Savas and Stockman promised would eventually return to the chastened, entrepreneurial city has actually been centrifuged off to Edgeland.

²⁴ See Joan Petersilia, 'Crime and Punishment in California', in Steinberg et al, *ibid*.

²⁵ The shortfall of employment in most core cities is further multiplied by the large percentage of high wage and salaried jobs held by suburban commuters.

²⁶ Cf. Caraley, pp. 5–6 and Fred Siegel, 'Waiting for Lefty', *Dissent*, Spring 1991, p. 177.

²⁷ National League of Cities 1992; and Coraley, *ibid*.

²⁸ See Joel Garreau, *Edge City—Life on the New Frontier*, Doubleday, New York 1991, p. 3.

In effect, these policies have also subsidized white flight and metropolitan resegregation. In the ideal neo-classical world, the best option for workers in decaying, uncompetitive centre cities is simply to follow the migration of jobs to the new edge-cities. This is, of course, exactly what millions of white urbanites have done since the ghetto uprisings of the late 1960s. Table Three (a–d) summarizes the ethnic recomposition of the 14 cities (24 million people) that constitute the cores of the 10 largest US metropolitan regions (76 million people).

Table Three

a. Ethnic Shifts in Cores of 10 Largest Metropolises

–	8,000,000	whites
+	4,800,000	Latinos
+	1,500,000	Asians
+	800,000	Blacks
–	900,000	total population

b. Ethnic Composition—1970 versus 1990 (%)²⁹

	1970	1990
white	70.0	39.9
Black	27.6	31.4
other	2.4	28.7
		Asian 6.8
		Latino 21.9

c. 10 Largest Metropolitan Cores: Percentage white²⁹

	1970	1990
1. New York	75.2	38.4
2. Los Angeles	78.3	37.2
3. Chicago	64.6	36.3
4. D.C. area	41.4	33.0
5. Bay area	75.1	42.9
6. Philadelphia	65.6	51.3
7. Detroit	55.5	20.3
8. Boston	81.7	58.0
9. Dallas	75.8	49.8
10. Houston	73.4	39.9

d. (1990): Largest Ethnicities and (1992) Mayors²⁹

	<i>plurality</i>		<i>next largest</i>		<i>mayor</i>
1. New York	white	38.4	Black	29.8	Black
2. Los Angeles	Latino	39.3	white	37.2	Black
3. Chicago	Black	40.8	white	36.3	white
4. D.C. area	Black	62.2	white	33.3	2 × Black
5. Bay area	white	42.9	Asian	22.8	2 × white, 1 Black
6. Philadelphia	white	51.3	Black	39.9	Black
7. Detroit	Black	75.7	white	20.3	Black
8. Boston	white	58.0	Black	25.6	white
9. Dallas	white	49.8	Black	27.2	2 × white
10. Houston	white	39.9	Black	28.1	white

Note: D.C. includes Baltimore; Bay, San Francisco, Oakland and San Jose; and Dallas, Fort Worth.

²⁹ U.S. Bureau of the Census, Population, 1970 and 1990.

At slightly greater magnification, it is possible to make important further distinctions between the urban itineraries of whites, Blacks, Latinos and other groups. To take Los Angeles as an example, almost the entire white working-class of the older southeast industrial belt—some 250,000 people—moved to the job-rich suburban fringe during the 1970s and early 1980s.³⁰ They were replaced by 328,000 Mexican immigrants, primarily employed in non-union manufacturing and services. Indeed, in Los Angeles the counter-point to the Latinization of manual labour has been the virtual disappearance of traditional Anglo blue-collar strata from the urban core. A cartoon of the city's resident workforce would depict a white professional-managerial elite, a Black public sector, an Asian petty-bourgeoisie, and an immigrant Latino proletariat.

Although second- and third-generation Mexican-Americans do not move as freely within the Southern California metrosea as working-class or middle-class Anglos, their mobility rate is surprisingly high. One of the major ethnic-political shifts of the last decade, for instance, has been the explosion of Chicano political power in the suburban San Gabriel Valley east of Los Angeles.

African-Americans, by contrast, have been trapped in place in Los Angeles, as elsewhere in urban America. Dramatic figures that purport to show the suburbanization of Black Los Angeles primarily represent the territorial expansion of the traditional Southcentral ghetto into adjacent, but separately incorporated cities: for example, Lynwood on the east, Inglewood and Hawthorne on the west and Carson on the south. When this quotient of 'ghetto shift' is deducted from 1990 census figures, what remains of Black suburbanization in Southern California is a mono-trend movement to blue-collar suburbs (principally, Fontana, Rialto and Moreno Valley) in the Inland Empire of western San Bernardino and Riverside counties.

Certainly this is a significant phenomenon, and there are indications that the Black exodus to the Inland Empire may have accelerated since last spring's rebellion. But it must be emphasized that 'Black flight' has been constrained to a handful of outer suburbs with dramatic deficits in their jobs-to-housing ratios. Compared not only to blue-collar whites, but especially to Chicanos, there has been, at best, only a desultory *diffusion* of Blacks within Southern California's wider housing and job markets.

The colour-bar, in other words, remains alive and well in Southern California's growth-pole exurbs like Simi Valley, Santa Clarita, Temecula, Irvine, Laguna Hills and Rancho Bernardo. Between 1972 and 1989 Los Angeles's suburban rim gained more than two million new jobs while its Black population languished at less than 2 per cent. (Blacks are 11 per cent of Los Angeles County's population.)³¹ Whatever

³⁰ For the ethnic transformation of Los Angeles's industrial heartland, see my chapter, 'The Empty Quarter', in David Reid (ed.), *Sex, Death and God in L.A.*, New York 1991.

³¹ Figures calculated from California's Economic Development Department, *Statistical Abstracts*; and the 1990 Census. The 'edge-city rim', as I define it, includes Ventura and Orange counties, as well as northern Los Angeles County (basically Santa Clarita

the precise combination of class and racial discriminations involved, African-Americans have been systematically excluded from the edge-city job boom. Conversely, they have become more dependent on centre-city public employment, the cornerstone of the Black communal economy.

With minimal nuance or exception, this pattern of spatial apartheid (often, mistakenly, called 'spatial mismatch') has been recapitulated in every metropolitan area in the United States during the 1980s. In the Bay area, for instance, San Francisco's financial industry has ignored Black-governed Oakland's desperate efforts to attract white-colour employment, preferring instead to export tens of thousands of back-office jobs over the Berkeley Hills to the white edge-cities of Contra Costa county. Greater Atlanta and Detroit, meanwhile, vie with each other for the distinction of being the most perfect 'urban donut': Black in the deindustrialized centre, lilly-white on the job-rich rim.

5. The Suburban Majority

The age of the edge city, then, is the culmination of a racial sorting-out process. This has had two epochal political consequences. First, the semantic identity of race and urbanity within US political discourse is now virtually complete. Just as during the ethno-religious *kulturkampf* of the early twentieth-century when 'big city' was a euphemism for the 'teeming Papist masses', so today it equates with a 'Black-Latino underclass'. Contemporary debates about the city—as about drugs and crime—are invariably really about race. Conversely, as Jesse Jackson always underlines, the fate of the urban public sector has become central to the survival agenda of Black America.

Secondly, 1992 was the watershed year when suburban voters and their representatives became the political majority in the United States (they had already been a majority of the white electorate since at least 1980). The politics of suburbia, notes Fred Siegel in a recent *Dissent*, are 'not so much Republican as anti-urban ... [and] even more anti-black than anti-urban'.³² Racial polarization, of course, has been going on for generations across the white picket-fence border between the suburb and city. But the dramatic suburbanization of economic growth over the last decade, and the increasing prevalence of strictly rim-to-rim commutes between job and home, have given these 'bourgeois utopias' (as Fishman calls them) unprecedented autonomy from the crisis of the core cities.³³ And vice-versa, 'the ascendance of the suburban electorate to virtual majority status, [has] empower[ed] [them] ... to address basic social service needs ... through local suburban government and through locally generated revenues, and to further sever already weak ties to increasingly black

³¹ (*cont.*)

and the Antelope Valley), the I-15 corridor of western San Bernardino and Riverside counties, and suburban San Diego county. It excludes part of the suburban Inland Empire.

³² Siegel, *ibid.*, pp. 177–79.

³³ Robert Fishman, *Bourgeois Utopias: The Rise and Fall of Suburbia*, New York 1987.

urban constituencies.³⁴ This, in turn, has greatly simplified the geography of partisan politics: Republican party affiliation is now a direct function of distance away from urban centres.³⁵

Core cities, for their part, have helplessly watched the reapportionment of their once-decisive political clout in national politics. Since Jimmy Carter, their representation in Congress has declined from one-quarter to one-fifth of House seats. In presidential politics, the high-water mark of big city power was undoubtedly the election of 1960 when the Daley machine resurrected the dead to provide John Kennedy's winning margin over Richard Nixon. In those days Chicago mobilized 40 per cent of Illinois votes, today it turns out only 25 per cent. Likewise, the capture of decisive majorities in the twenty largest cities was once tantamount to owning the White House. But, as Carter, Mondale and Dukakis each demonstrated, it was possible to sweep the urban cores and be crushed in the suburbs by the defection of so-called 'Reagan Democrats', a stratum largely consisting of blue-collar and lower middle-class white refugees from the cities.

The Clinton campaign, of course, was the culmination of a decade-long battle by suburban and Southern Democrats to wrest control of the Democratic party away from labour unions, big city mayors and civil-rights groups. In the aftermath of the Mondale debacle, Clinton joined with Bruce Babbitt, Charles Robb and other sunbelt governors to establish the Democratic Leadership Council (DLC) as a competing power-centre to the Democratic National Committee (DNC). The DLC's principal goals were to marginalize Jesse Jackson (the champion of the urban poor), rollback intra-party reforms, take control of the DNC, and nominate a candidate who could challenge Reaganism in its own crabgrass heartland.

Clinton's genius has been his skill at pandering to the DLC's stereotype of the Reagan Democrat. From his electrocution of a brain-damaged Black convict on the eve of the New York primary to his sudden speech impediment faced with the word 'city', Clinton was programmed to reassure white suburbanites that he was not soft on crime, friendly with the underclass, or tolerant of big-city welfare expenditures. This implicitly anti-Black, anti-urban theme music was played in continuous refrain to his promises to reinvest in middle-class economic and educational mobility while continuing to defend George Bush's new world order.

Despite the clarity of the essential Clinton message, his victory has spawned strange hopes and misguided interpretations. Like the pathetic paupers in Port-au-Prince who were reported to have organized a cargo cult around Clinton in the mistaken belief that he would open America's golden door to the Haitian masses, a jubilant gaggle of rust-belt mayors, community developers and members of the congressional Black Caucus have cheered the Bush defeat as the dawning

³⁴ Thomas Edsall with Mary Edsall, *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics*, New York 1991, p. 217.

³⁵ See James Barnes, 'Tainted Triumph', *National Journal*, 7 November 1992, p. 2541.

of a New Deal. Some, perhaps, have become intoxicated with Arthur Schlesinger's oft-repeated assurance that the great wheel of American politics was again turning, inexorably, from right to left. Others may have been hallucinating on the even stranger idea, sprouted in DSA circles, that Clinton is actually a 'stealth social-democrat' committed to a huge Keynesian expansion of education and health-care entitlements.³⁶

In any event, there is virtually no evidence that President Clinton is the 'Manchurian Candidate' of a largely invisible American social democracy. Nor, for that matter, is it clear that the 1992 election has actually moved the country back toward anything resembling pro-city New Deal liberalism. Indeed, as MIT's Walter Dean Burnham has frequently pointed out, Schlesinger's mythical wheel no longer moves at all, but is stuck, semi-permanently, in a centre-right position that corresponds to our current 'post-partisan', suburbanized political system.³⁷

Most importantly, there is no obvious reason why a campaign carefully designed to de-emphasize the cities should deliver a President suddenly fixed on their needs. In the aftermath of the Los Angeles rebellion, neither *Business Week* nor the *National Journal* could locate a significant dividing line between the Clinton and Bush approaches to urban policy.³⁸ Indeed senior Clinton advisor Will Marshall, president of the DLC's Progressive Policy Institute, conceded that there was 'very little difference over the central idea', while his Republican counterpart, Heritage Foundation domestic policy director Stuart Butler, saw 'no conceptual difference between Clinton and Bush'. On the rare occasions when either candidate dealt with urban issues, each used the same debased rhetoric of 'empowerment' to espouse enterprise zones, school vouchers, privatization of public housing and workfare not welfare.³⁹

Nor, in the months since the election, have flowers suddenly blossomed in Cabrini-Green or the South Bronx. Attempting to present New York's woes before the Clinton transition team, Congressman Charles Rangel of Harlem complained that 'they listen and they say nothing'—not surprisingly since the transition's 'bible', the Progressive Policy Institute's *Mandate for Change*, omits cities altogether from its fourteen topic chapter headings.⁴⁰ For his part, new Housing and

³⁶ For the argument that Clinton 'has overturned neo-liberal politics', brought an end to the conservative era, and is really a 'stealth social democrat', see Harold Meyerson, 'The Election: Impending Realignment?', *Dissent*, fall 1992, pp. 421–24.

³⁷ Walter Dean Burnham, 'Critical Realignment: Dead or Alive?', in Byron Shafer (ed.), *The End of Realignment?*, Madison 1991, pp. 125–27.

³⁸ 'Clinton's approach sounds even more Republican ... enterprise zones, government financed organizations to lend money and give advice to budding entrepreneurs—the sort of public-private cooperation the Bush Administration will be pushing as well.' (*Business Week*, 18 May 1992.) '[This] increasingly odd campaign ... with its spectacle of Bush and Clinton ... saying much the same things about the agony of the inner cities'. (*National Journal*, 16 May 1992, p. 1996 passim.)

³⁹ Quoted in *ibid.*, p. 1197.

⁴⁰ And when Clintonians do talk about cities, they never acknowledge the special circumstances of Blacks or Latinos. Andrew Hacker points out, for example, that Clinton

Urban Development secretary Henry Cisneros may have aroused great expectations amongst the cargo-cult crowd, but so far he has only promised to work from existing funds, refloat federal enterprise zone legislation, and preserve 'Weed and Seed', which he described as 'an important program'.⁴¹ Congress, meanwhile, gives little sign that it will challenge a Bush-Clinton continuum of urban neglect. A post-election Gallup poll of Democratic members of the new House revealed that aid to cities was ranked a miserable thirteenth out of eighteen issues (housing was ranked last).⁴²

Let us suppose for the sake of argument, however, that escalating urban unrest, perhaps sparked by another Los Angeles riot, forces Clinton—as it did an equally reluctant Nixon in 1969—to attempt to address some of the underlying urban contradictions. Could he actually mobilize the political and budgetary resources to save the cities? It is hard to see how. The forecast for any resumption of urban reformism is quite bleak as long as federal discretionary spending is weighted in chains by the deficit, Perot voters and a white-collar recession.

6. Lemmings in Polyester

The chief legacy of the Reagan-Bush era, of course, is the two-trillion-dollar cost of 'winning' the Cold War. A generation's worth of public investment—probably the fiscal equivalent of several New Deals—was transformed into stealth bombers and nuclear armadas, financed by the most regressive means imaginable (huge tax-cuts for the rich and rampant offshore borrowing). Bipartisan politics then added another half-trillion dollars to bail-out wealthy investors from the savings-and-loan debacle. Spent on cities and human resources these immense sums would have remade urban America into the land of Oz, instead of the wasteland it has become.

The social burden of servicing this deficit may be measured by comparison to the annual combined budgets of America's fifty largest cities. In 1980 interest payments on the federal debt were twice as large as the aggregate big-city budget, today they are six times larger. Alternately, the \$300 billion 1990 deficit was simply equal to the annual interest cost on a federal debt soaring toward \$5 trillion.⁴³

Keynesians, pointing to much higher per capital debts elsewhere in the OECD world, may argue that it is ridiculous to allow the deficit to become an absolute fetter on national growth or urban reinvestment. But the deficit is not merely a figure on a balance sheet, it is also the

⁴⁰ (*cont.*)

and Gore's own book, *Putting People First*, 'hardly ever mentions race, even obliquely. A chapter entitled 'cities' neither uses the term 'inner-city' nor mentions residential or school segregation'. ('The Blacks and Clinton', *New York Review of Books*, 28 January 1993, p. 14.)

⁴¹ Quoted in the *Los Angeles Times*, 25 January 1993.

⁴² *Washington Post National Weekly Edition*, 14–20 December 1992.

⁴³ Caraley, *ibid.*, 25.

major strategic weapon of the right. It is the archimedean lever that the conservative coalition in Congress has used to dismantle the citizenship entitlements of the urban and rural poor, and it is the structural guarantee, via Gramm-Rudman and the 1990 budget treaty, that the Reagan Revolution is irreversible. As Guy Mollyneux has eloquently argued, the deficit-warriors' call for 'shared sacrifice' is a 'truly Orwellian inversion of political language' where spending on cities is 'pandering to special interests' and 'tough choices' means more austerity for the poor.⁴⁴

The most Orwellian voice in American politics, of course, speaks in a just-plain-folks East Texas drawl. Clinton may continue to snub Ross Perot, but the diminutive billionaire's shadow (magnified by the international bond markets) looms enormous over the new administration. Perot's achievement has been to create an unprecedented populist crusade, nineteen-million-strong, around the thesis that the deficit, not the decline of the cities or the plight of the poor, is the epochal issue facing ordinary Americans. Like lemmings in polyester, millions of his followers vow to walk off the cliffs of a major depression in order to balance the federal checkbook.

Perot is also the gatekeeper to any political realignment. Clinton won the election because Perot stole Bush's vote in the edge cities, retirement communities and high tech belts. (See Table Four.) By himself Clinton got a 3 per cent smaller share of the popular vote than even Dukakis in 1988. The strategic focus of his administration, therefore, will be winning over the Perot voters in the suburbs who, surveys have shown, overwhelmingly favour tax cuts and less government spending, especially on the urban poor.⁴⁵ Not surprisingly, the Clinton cabinet is top-heavy with deficit-hawks and admirers of Reagan's New Federalism. In particular, the combination of Leon Pannetti ('time to make sacrifices . . . cut, not raise public spending' etc.) and Alice Rivlin in the Office of Management and Budget is the moral equivalent of having Perot himself in the cabinet.⁴⁶

Finally, the hope that Clinton will shower the cities with some of his proposed \$220 billion-dollar investment budget (infrastructure, technology and education) is perhaps the cruelest mirage of all. As much a subsidy to huge Wall Street municipal bond merchants like Goldman, Sachs and Company—whose chairman, Robert Rubin, is now Clinton's 'economic security' chief—as to localities, the fast shrinking investment budget is primarily targeted on costly rail, optical-fibre and interstate highway projects that will benefit Perot voters in the

⁴⁴ See his opinion piece, *Los Angeles Times*, 1 November 1992.

⁴⁵ Cf. Rhodes Cook, 'Republicans Suffer a Knockout That Leaves Clinton Standing', *National Journal*, 12 December 1992, p. 3810; and James Barnes, *op cit*, p. 2541.

⁴⁶ In her *Reviving the American Dream*, Rivlin resurrects Reagan's federalism initiative of 1982 that would have returned grant programmes to the states and terminated the federal role in welfare in exchange for the nationalization of the health-care financing for the poor. Other advisors at the new White House are equally keen on continuing the Reagan revolution, including David Osborne, author of *Reinventing Government* (1992), whose catch phrase 'entrepreneurial government' regularly shows up in Clinton speeches. See Rochelle Stanfield, 'Rethinking Federalism', *National Journal*, 3 October 1992, pp. 2255–57.

Table Four

The Perot Factor in the 'Edge Cities'⁴⁷
 (national Perot vote = 15)

County	Bush 1988	Bush 1992	decline	Perot 1988
Orange (CA)	68%	44%	-24%	24%
San Bernardino (CA)	60%	37%	-23%	23%
Santa Clara (CA)				
(Silicon Valley)	47%	28%	-19%	22%
San Diego (CA)	60%	35%	-25%	26%
Clark (Las Vegas)	56%	33%	-23%	25%
Orange (Orlando)	68%	46%	-22%	19%
Gwinnett (GA)	76%	54%	-23%	16%
Du Page (IL)	69%	48%	-21%	21%
Fairfax (VA)	61%	44%	-17%	14%

suburbs and the traditional highway lobby of state officials, contractors and white-dominated construction trades.

Ironically this is the one arena of domestic expenditure—presumably because it is most dear to the hearts of gridlocked suburbanites—that least needs additional federal investment. Reagan and Bush may have decimated urban housing and job-training funds, but they wisely left the freeways alone. The 1983 Highway Act is still generating major road construction while the 1991 Intermodal Surface Transportation Efficiency Act has allocated \$155 billion over the next six years for rail transit, including Los Angeles' pharaonic subway system.⁴⁸

If the big city mayors and the congressional Black caucus attempt to divert any of this investment toward urgent inner-city needs (e.g., schools, housing, environmental clean-up and public space), they will face unprecedented battles with the suburbs. The current downturn is the worst white-collar recession since the 1930s. Hundreds of thousands of middle-managers, computer programmers, book-keepers and salespeople have tumbled out of their safe nests in bank skyscrapers and corporate front-offices. They have been joined by regiments of redundant defence workers, aerospace engineers and skilled construction tradesmen. For the first time, the new edge-cities are feeling some of the pain of the older cities, and the competition for resources has become exceptionally intense.

No one better appreciates the internal logic of these redistributive struggles in the shadow of deficit than Richard Darman, Bush's outgoing budget director. At a press conference called to present Clinton with the unwonted gift of a huge prospective increase in the deficit, an almost gleeful Darman reminded the new administration that it was a prisoner of the Reagan-Bush past. It was impossible for Clinton,

⁴⁷ Figures from *Congressional Quarterly*, 12 December 1992, pp. 3815–3820.

⁴⁸ Kirk Victor, 'A Capital Idea?', *National Journal*, 28 November 1992.

he emphasized, to simultaneously deal with the deficit and implement his investment programme without taking the politically suicidal course of taxing the middle class or reducing their social security and medicare entitlements. Thus the Clinton campaign promises were so much rubbish and the only electorally safe option for the Democrats, as for the Republicans, was to continue to blast away at the big cities and urban poor.

The political system has accepted the reforms that affect the poor . . . but it has not accepted the reforms that affect the rich. Nor, more importantly has it accepted reforms, by and large, that affect the broad middle and that is half the budget. Where you've got sixty million adults who are beneficiaries of broad middle-class entitlement programs, that's a lot of voters.⁴⁹

7. Poor Law States

In the dark days of the early Reagan administration, many big cities looked toward the new light they thought they saw shining from their statehouses. The federal retrenchment in domestic policy (which, as we have seen, actually began with Carter in 1978) opened the way for state governments to assume a more dynamic role in urban finance and local economic development. The California legislature, for example, organized a major fiscal rescue for cities, counties and school districts threatened by the combined disasters of Proposition 13 (the Jarvis tax amendment) and federal cutbacks. Michigan and Massachusetts compensated for the absence of a national industrial strategy by enrolling their stricken urban areas into ambitious state-level development programmes, while other states assumed higher-profile roles in funding local education.⁵⁰ Meanwhile aggregate state expenditures, only 60 per cent of the federal budget in the Johnson presidency, drew almost equal to the Bush budget in 1990: \$1 trillion versus \$1.1 trillion.⁵¹

By the late 1980s the big Washington and New York policy institutes, from the Brookings to the Committee for Economic Development, were abuzz with talk of this extraordinary 'state renaissance'.⁵² Conservative advocates of states-rights complained bitterly about the powers that had been left to liberals in statehouses, while progressives speculated optimistically about the future of 'Keynesianism in one (two, three, many?) state[s]'. But the illusion that the worst of Reaganisms could be halted at the stateline, or that state could replace Washington as the saviours of the city, was sustained only by the relative fiscal autonomy of the richer states amidst the 'bicoastal' boom of the mid-1980s. (The 'new economic clint' of the poor states had been confined in most instances, like Clinton's Arkansas, to becoming better salesmen of tax advantages and cheap, non-union labour.)

⁴⁹ Richard Darman quoted in *ibid*, 7 January 1993.

⁵⁰ For a comparison of seven states, sponsored by the corporatist Committee for Economic Development, see R. Scott Fosler (ed.), *The New Economic Role of American States*, New York 1988.

⁵¹ *National Journal*, 3 October 1992, p. 2256.

⁵² The phrase used by the Brookings' Timothy Conlan, see *New Federalism*, p. 228.

The onset of a new recession in 1990 kicked out the props from underneath this over-hyped 'renaissance' and exposed the real, underlying damage done by more than a decade of federal cuts. With state-funded Medicaid and unemployment costs soaring, the Bush administration poached on state's fiscal capacity by raising federal excise taxes on gas, tobacco and alcohol. Other traditional state tax resources were put off bounds by Proposition 13 and its progeny across the country. Meanwhile, the War on Drugs was becoming literally a 'domestic Vietnam' as out-of-control prison budgets sucked up larger portions of states' operating funds.⁵³ With no one left to bail *them* out, the statehouses now followed the city halls into the fiscal black hole excavated by the Republicans in Washington.

The result—according to the principle of 'suburbs first in the lifeboat, cities and poor last'—has been the dramatic reduction, even elimination, of cash and medical assistance to the urban poor. The welfare systems of an entire stratum of traditionally progressive, industrial states whose names still resound like a rollcall vote for DR—Illinois, Michigan, Massachusetts, Maryland and Minnesota (as well as Ohio and Oregon)—have been levelled downwards to the meanness of Mississippi or Arkansas. Nominally Democratic legislatures have radically reduced medical coverage, slashed cash payments, and tightened the eligibility and duration of benefits.

In the most extreme case, Michigan, general assistance has been abolished, and unemployed single adults and childless couples are left without any income or medical safety net whatsoever. Maryland has also purged its relief rolls of everyone but the disabled and the very elderly, while Ohio, Minnesota and Illinois have time-limited assistance payments regardless of hardship or economic climate. Massachusetts, meanwhile, has reduced eligibility for the disabled, and Oregon has excluded hospitalization.⁵⁴ Similar measures are close to passage in New York, New Jersey, and, as we shall see, in California. One study suggests that at least forty states are currently weighing a reduction in welfare benefits to children.⁵⁵ Like serial murders, the example of one state cutting benefits has spurred others to emulate the same foul deed.

Meanwhile the current debate in most statehouses is fully up-to-date with 1830s Poor Law Reform and the Reverend Malthus. In the face of bipartisan abuse against the 'welfare underclass', advocates of the poor have tried to point out the relentless attrition of income maintenance standards. Both the minimum wage and the median state welfare (AFDC) benefit have lost 40 per cent of their real value (in inflation-adjusted dollars) since 1970, while the median welfare benefit for a family of three now barely equals one-third of the poverty

⁵³ For a succinct overview of states' growing structural deficits, see Penelope Lemov, 'The Decade of Red Ink', *Governing*, August 1992.

⁵⁴ Cf. J. Michael Kennedy, 'Cutbacks Push Poor to the Edge', *Governing*, 2 April 1992; and John Begala and Carol Bethel, 'A Transformation within the Welfare State', *The Journal of State Government*, 1992.

⁵⁵ 1991 study by Center on Budget and Policy Priorities (Washington D.C.) and Center for the Study of the States (Albany, New York).

threshold.⁵⁶ And, in contrast to the demonology of a welfare system rife with cheats and layabouts, more than 28 per cent of the population living below the poverty line receives no public aid at all.⁵⁷

But such statistics make little headway these days in Lansing, Columbus or Sacramento. In an important article, John Begala and Carol Bethel argue that the current legislative attack on the poor is driven by the same force alluded to earlier: the competitive pressure of anxious middle-income voters, including displaced workers in manufacturing and laid-off second-income wage-earners.⁵⁸ The struggle is not about the moral economy of welfare, but about the political precedence of suburbs and the entitlements of the middle class. In Michigan, for example, this has taken the form of a cruel war of Detroit's white suburbs against the unemployed population in the Black core city. In a typical exchange, one suburban legislator suggested that if Detroit's jobless were unhappy with the abolition of general assistance they could 'move to sunny California, to stylish New York; or, if they like winter sports, to Minnesota.'⁵⁹

Although 'the relationship between state and local governments has deteriorated to maybe the lowest level anyone can remember', state-houses have been able to legislate this new, Dickensian immiseration without facing mass revolt in the cities.⁶⁰ Shrewd governors and legislative majority leaders have learned to cut Faustian bargains with city, and especially county, authorities. In exchange for acceding to state welfare cuts and tax-poaching, for example, the localities are legislatively released from their mandates to provide certain essential services like relief and medical-care for the indigent. The 'hit'—as legislators, and other hired assassins, like to say—is passed directly onto the street, and inner-city property-owners are conscripted to common cause with the suburbs.

8. A Holocaust of Rights

The ultimate casualty of this current wave of state-legislative attacks on the urban poor may be the tenability of belief in common citizenship itself. Whether in the name of the budget, or the War on Drugs, social and economic rights that were won through generations of hard-fought struggle are now routinely abridged or even abolished. Not since the end of Reconstruction, have so many Americans faced such a drastic devaluation of their citizenship as do urban communities of colour today. And no recent sequence of government actions has set this holocaust of rights in more stark relief than the events in Sacramento since the Rodney King verdict.

While the cinders of South Central were still warm, Art Torres, the

⁵⁶ Cf. House Ways and Means Committee, *Green Book*, Washington D.C. 1991; and Center on Law and Poverty, cited in *Los Angeles Times*, 18 June 1992.

⁵⁷ Kennedy, *ibid.*

⁵⁸ Begala and Bethel, *ibid.*

⁵⁹ Kennedy, *ibid.*

⁶⁰ State representative quoted in Rochelle Stanfield, 'Rethinking Federalism', *op cit.*, p. 2257.

liberal state-senator from East Los Angeles, submitted two bills to the California Legislature for urgent consideration. One bill simply funded emergency relief for Los Angeles with the same temporary sales tax increase that had been used in 1989 to aid the Bay area after the Loma Prieto earthquake. The other bill took a small step toward acknowledging the existence of the police brutality that had sparked the riots by establishing a standardized citizen complaint process and a statewide databank. Neither bill was envisioned as controversial.

To Torres' consternation, however, both bills were quickly incinerated in a suburban anti-LA backlash, orchestrated by the powerful law-enforcement lobby. Equal treatment for riot and earthquake victims was dismissed out of hand by Senate Republican leader Ken Maddy (Fresno), who snidely observed to Torres that 'there was not the same kind of outpouring of sentiment for Los Angeles'.⁶¹ Meanwhile, Torres' modest proposal for state invigilation of police abuse—a barometer of the Capitol's attitude toward Rodney King's near-lynching—was killed and replaced by four criminal bills authored by Senate Majority leader, David Roberti (Hollywood). Roberti, who over the course of the summer would emerge as Republican Governor Pete Wilson's fifth column in the Democratic Party, proposed an alternative message to the inner city. He wanted to ban probation for convicted looters, increase the sentence for fire-bombing from seven to nine years, extend the deadlines for arraignment, and offer state rewards for the arrest of looters. His bills passed handily.

While the Senate was venting its spleen, the entire Legislature was embroiled in an epic debate on the future of California that came to entirely overshadow the riots. Caught between Proposition 13 and the worst recession since 1938, the state budget was \$6 billion in the red with the prospect of even larger deficits in the future. The Democrats, under the leadership of Roberti and House Speaker Willie Brown (a Black corporate lawyer from San Francisco), initially proposed to increase taxes for millionaires, close some egregious loopholes, and 'roll over' the rest of the deficit until the economy recovered.

Republican Governor Wilson, on the other hand, blamed the recession on labour and the poor, and wanted to make deep, permanent cuts in family assistance, medical care and higher education. In exchange for releasing county government from its health and welfare mandates, he also proposed to end Sacramento's Proposition 13 bailout of local government. In a state whose postwar prosperity had been generated by its traditionally high levels of investment in education and public services, Wilson advocated a draconian, Michigan-style retrenchment.

By the beginning of the summer, the Democrats had capitulated almost totally. After a behind-the-scenes blitz by the Chamber of Commerce and the oil and real-estate lobbies, the sons of the people led by Willie Brown abandoned their feeble attempts to raise taxes on the

⁶¹ Quoted in *Los Angeles Times*, 15 June 1992.

rich and close corporate tax loopholes. Ignoring a report on the state's children that showed youth unemployment and homicide rates soaring in tandem, the House Democrats instead unveiled their own budget plan which the Los Angeles *Times* described as offering 'even deeper cuts in state services than Wilson proposed'.⁶² A prominent Democratic assemblyman told his Republican colleagues, 'why don't you just declare victory and go home?'⁶³

In retrospect, it is hard to say what was more astonishing: the Democrats' phoney war and abject surrender, or Wilson's subsequent refusal 'to declare victory and go home'. Ostensibly the budget crisis dragged on through the summer, forcing the state to pay its bills with IOUs, because the Governor dogmatically continued to insist on deep education cuts, which the Democrats, heavily financed by teachers' organizations, could not afford to accept. Speaker Brown, as local officials from Los Angeles seeking riot relief discovered to their horror, wanted to sacrifice aid to the cities instead.

In fact, the two sides were playing different games for unequal stakes. The Democrats, dominated by a neo-liberal lobby-fed majority, simply wanted to deflect as much pain as possible away from their core suburban constituencies, whose major concerns were taxes, transportation and education, not welfare or urban development. They consoled their consciences by proposing 'trippers' that would restore cut programmes and reduce the suffering of the poor once the recession ended and pork-barrel days returned.

The Governor, on the other hand, was playing hard ball—that is to say, strategic politics—against the Democrats' soft ball. Under siege from the aptly named 'cavemen' of his own right wing, Wilson ('no more mister nice guy') had decided to abandon bipartisan compromise for ideological confrontation. Like Reagan in 1980 he aimed to permanently shrink the welfare role of the state and fragment the traditional Democratic coalition. He was intransigent about the budget because he was determined to force the Democrats to betray their education allies and concede the structural permanence of the cutbacks. Moreover, when the Speaker evoked the transience of the recession, the Governor talked about the inevitability of 'demographics'.

In the summer-long budget battle (which finally ended with the brunt of the cuts, as Speaker Brown wanted, shifted from education to local government), Wilson repeatedly quoted from two official bibles. One was the report of the Governor's Commission on Competitiveness, chaired by Peter Ueberroth and released on the eve of the riots, that blamed California's economic malaise and the 'flight of capital' on over-regulation and excessive taxing of business. The other was a 1991 Department of Finance report, *California's Growing Taxpayer Squeeze*, which warned that immigrants and welfare mothers were multiplying

⁶² Ibid, 2 July 1992.

⁶³ *Children Now* study quoted in ibid, 25 June 1992; and Representative Phil Isenberg (D-Sacramento) quoted in Linda Paulson and Richard Zeiger, 'Blundering toward a budget', *California Journal*, September 1992, p. 426.

more rapidly than taxpayers. Wilson's intellectual originality was to synthesize the two reports into a single demonic vision of white middle-class breadwinners and entrepreneurs under siege by armies of welfare leeches and illegal immigrants, aided and abetted by public-sector unions and Sacramento Democrats. The Los Angeles riots made the images more vivid and coloured in the faces of the enemy.

(Actually California's on-going 'structural deficit' is nothing more than the bill finally come due for Proposition 13, which in 1978 cutback and froze the property tax roll. According to figures in a recent study by the Advisory Commission on Intergovernmental Relations [ACIR], the deficit would disappear if California [29th in national 'tax effort'] simply taxed property owners at the average national rate. With 6 per cent more fiscal capacity per capita, Pete Wilson's golden state demands 38 per cent less taxation per capita than Mario Cuomo's New York.)⁶⁴

Wilson repeatedly evoked this 'demographic' scenario, with its racist and nativist undertones, to justify his radical surgery on the state's public sector. Regulations, entitlements, taxes and public employment had to permanently shrink, while the parasitic welfare class needed to be driven off the dole (the Governor drafted a ballot initiative to slash payments and case-loads). In fact, Wilson was building—with the Democratic majority's complicity—an economic atomic bomb to drop on the state's poorer communities, above all the barrios and ghettos of Los Angeles, Oakland, and the Central Valley cities. (Part Two will examine the damage that this first deficit bomb [a second is now under construction] is inflicting on Los Angeles inner-city.)

Although neither the Governor nor the Democrats dwelt on the fact, the deficit bomb was primarily designed to hurt children—who, after all, comprise fully two-thirds of the welfare underclass and half of the immigrants. And like an actual nuclear device, it will continue to inflict damage on them for generations, since it entails a permanent reduction of education, health and welfare entitlements. The kids of the new immigrants and people of colour (now a majority in the primary schools of the state) will not be allowed the same opportunities or privileges enjoyed by previous generations of Californians. Citizenship is being downsized.

In the course of the most ignoble summer in modern Californian history, when budget deficits were used to justify every manner of inhumanity, one veteran legislator confessed his despair to a reporter:

Is state government turning its back on the poor? Yes. Is the Democratic Party turning its back on the poor. Yes. I don't like it, but the fact is that most people up here don't share my values. If poor people starve on the street, they don't care. Any budget we pass is going to wreak havoc on the poor.⁶⁵

⁶⁴ Raising California's property tax effort to the national standard would generate approximately \$170 per capita in additional taxes. Multiplying this by 30 million disposes of most of the 1992–93 deficit. See ACIR, *State Fiscal Capacity and Effort—1988*, Washington, D.C., August 1990, pp. 75, 103, 132 and 133.

⁶⁵ John Vasconcellos (D-Santa Barbara), quoted in *L.A. Weekly*, 10 July 1992.