

It's 2021: Let's End The 1975 Fiscal Crisis.

Testimony for Joint Legislative Public Hearing on 2021 Executive Budget Proposal: Topic Taxes
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There is an emerging consensus among ordinary New Yorkers and elected officials that we must raise taxes on the wealthy to build the State we need in the middle of this global crisis. New Yorkers facing an international pandemic, watched former Amazon CEO Jeff Bezos grow his net worth by \$13 billion *in a single day* at the very same time that low-wage workers were either laid off or forced to work in life-threatening conditions. A recent poll showed that a supermajority of Democrats and Republicans alike support increased taxes on wealthy, high income earners.

Raising taxes on the wealthy is popular and it is just.

This cycle is not just about filling the shortfall created by the coronavirus-spurred financial crisis—it is about fundamentally upending the racist austerity that was foisted on this state during the fiscal crisis of the 1970s.

In order to understand why and how the fiscal crisis lives with us to this day, we have to rewind to the 1960s. The Civil Rights, Black Power, and other POC-led movements were in motion. In the South, they fought legalized racial oppression and segregation, and in the North, when White Supremacy was less overt, they often fought what we think of as structural racism.

At the City University of New York, people of color fought for and won “open admissions” in 1969. As the region’s population had diversified, the student body of CUNY had not kept up. Open admissions changed all this, and starting in 1969, students of color entered CUNY in greater numbers.

But with this transition, the social compact changed. The very services – at CUNY and elsewhere – that had been worth funding for white people for more than a century, were all of a sudden too expensive for the diversifying working class.

Rather than raise taxes to keep services fully funded, the state forced the city to go to the banks to finance their operations. The 1975 financial crisis was, quite simply, a result of failing to raise taxes. Legislators failed to act, not because the services weren’t important but because the population accessing those services had changed.

The fiscal crisis was, above almost all else, racist. And we live with that fiscal crisis, its effects and its racism, today.

For a century, mostly white New Yorkers could get a free bachelor’s degree at the City University of New York. But just as the student population was becoming majority people of color, and with the 1970’s financial crisis upon us, the University began to charge tuition—and state disinvestment began.

This is the year to atone for the racial and economic sins of the 1970s. We have a model of what CUNY can be – from 1969 to 1975, CUNY was truly for everyone, it was properly funded, and it was *free*. We can bring that model into reality, this year—raising taxes, funding a New Deal for CUNY, and thereby enhancing services for the majority POC working class. This is one important tool to fight structural racism.

Now is not the time to play defense. The planet is literally and figuratively burning. We need to tax the wealthy to fight racism, but we also need to tax the wealthy to survive—we need New York to be a leader in this country and on this planet. We need a Green New Deal for everyone. We need fully funded K-12 for everyone. We need fully funded hospitals. Fully funded public transit. Fully funded public higher education.

Let's not make the mistake of struggling through this crisis only to return to the status quo. New York can be model for the kind of society we need to build if the whole human species is going to survive and thrive.

We need a new personal income tax, capital gains tax, heir's tax, billionaire's tax, corporate tax, and Wall Street tax.

In short, it's time to tax the rich. Thank you for your time.