

PROPOSITION 9: OVER-DOSE

One day in pre-Nazi Germany, a writer named Maximilian Bern withdrew all his savings, over 100 thousand marks, which was just enough to purchase one subway ticket. He took a subway ride around Berlin, locked himself in his apartment and starved to death.

"Barbarism prevailed," one German recalled. "The streets became dangerous." A recent historian wrote that "the result of the inflation was to undermine the foundations of German society in a way which neither war nor revolution had done."

Runaway inflation is a truly sinister beast, prime enemy of the poor and middle class alike; spawner of the kinds of desperate political movements which traditionally climb to power over the crushed bodies of Jews.

Some modern governments have been able to stem runaway inflation. A necessary, although not sufficient weapon in the war against inflation: drastic reduction in government expenditures. The recent budget-cutting mood of the American people does not reflect ideological conservatism so much as it reflects a simple instinct for self-survival.

But if a dose of medicine can help curtail an illness, an over-dose of that medicine can create another illness just as destructive. If runaway inflation can undermine the foundations of American society, so can some measures which are proposed to fight inflation -with similar effects on the poor, the middle class and desperate political movements. Proposition 9 on the June ballot threatens to be just such a destructive over-dose.

As you recall, Proposition 9 is a Constitutional Amendment which would cut income tax rates in half. According to the Legislative Analyst, this would slice one quarter of the state's general fund. Now, about 50 per cent of that state fund goes for education; about 20 per cent for health; about 15 per cent for welfare. The only other expenditure above a billion dollars

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is property tax relief, and that won't be touched. Consequently, if a quarter of the budget is cut, about a quarter of education, health and welfare funds will be cut. There is no major state surplus left, and any new resources will largely offset by the loss of matching federal funds.

That deep a cut would have to directly affect the elderly, starting with medicare. There would be a substantial reduction in funds for those Jewish institutions in San Francisco which attend the health needs of the elderly. Those lost funds might presumably be made-up by substantially shifting other Jewish Welfare Federation funds, the great bulk of which now goes for Israel and refugee aid. Even so, the general quality of health care for the aged would drop below its present marginal level. Other supplemental assistance for the elderly would also be affected.

The battle to maintain the public schools might just be lost by so deep an assault on their dwindling resources. However dismal a picture some of our schools seem to present, they still provide the means by which so many blacks have been able to move into middle class ranks; and the means by which so many refugees, including Soviet Jews, are now making the transition into the American society. And all studies of anti-semitism continue to affirm that the public schools still provide the main site for the battle against anti-semitism, and anti-democratic values.

So deep and precipitate a cut in life-support services to the low-income populations would understandably raise levels of frustration- which in turn would fan the growth of those particular "third-world" extremist movements which are intrinsically anti-American as well as anti-Israeli.

The JCRC strongly believes that the above are considerations of special significance for the Jewish community. It is hoped that Jews will add these to their other varied considerations in shaping their individual positions on Proposition 9.

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Runaway government expenditure, as one factor in runaway inflation, will certainly undermine the American society. An over-night meat-cleaver assault on the vital elements of our basic educational, health and welfare services will as certainly undermine the American society. There had better be a third option.