

# CO-OP CITY: Together they're

NEW YORK (LNS-CUP) - Co-op City is occupied by some 60,000 people who customarily pay \$3.3 million in rent each month to Riverbay Corporation, the state-supervised managing company of the giant development.

Since June, however, their checks have been made out not to Riverbay, but to "Steering Committee 111." The people at Co-op City - some 85 percent of them - are on strike.

A massive housing project in the northeast Bronx, Co-op City consists of 35 high rise apartment buildings; seven clusters of three-story town-houses; three complete shopping centers; eight parking garages; three elementary schools; two intermediate schools and one high school - all spread out (with breathing space to spare) over 300 acres of land.

Theirs is the largest rent strike in American history. In eight months they have withheld more than \$20 million in rent from the Co-op City management that has withdrawn court injunctions, fines surpassing a million dollars, threatened cut-offs of heat and hot water, and possible jailing of their leaders.

In the process, they have become an organized, high conscious community of people determined to fight.

## The promise of Co-op City

"Co-op City was occupied relatively quickly based on the promise that this would be very inexpensive housing for working people," explained Steering Committee 111 chairperson Charles Rosen to Larry Cox of WBAI radio in New York. "We were also promised that the mortgage on Co-op City would be exactly \$236 million and that any cost over-runs would be absorbed by the builder."

That promise seemed credible in 1965 when Co-op City was in its infancy and bonds for the development's construction were being sold and investments from prospective tenants were being accepted. Co-op City was, after all, constructed under state authority, which meant a low-interest mortgage loan from the State Development Financing Agency. (Sixty seven percent of the present tenant rent goes to pay off the mortgage.) And under the Mitchell-Lama housing

law, the city relieved the project of some 90 percent of its real estate tax.

The Co-op's developer was sponsored by the United Housing Federation (UHF), a conglomerate of all the major trade unions in the city of New York. The UHF had been founded in 1951 to help sponsor low-cost housing for workers. With such advantages, Co-op City held enormous potential.

The incoming tenants, 75 percent of whom were white workers, 25 percent black and latin, and one-third over 65 living on fixed incomes, had faith in the state and the UHF.

## Betrayed

But from the start, their faith was betrayed. The construction and management of Co-op City was marked by fraud and profit-making on the part of state bureaucrats, union officials and, of course, the banking and real estate interests that held the mortgage bonds. By 1970, before construction had even been completed, the incoming tenants were hit with rent increases amounting to 60 percent of their original rent.

Inflation and increased construction costs were offered as the excuse by the Co-op's 10 board directors: nine of whom were UHF selected, one a state representative, and no residents of the project. (The tenants did not win representation on the board until 1972, when five resident members were added.)

The construction of Co-op City was contracted entirely to Community Services, Inc., a developer subsidiary of the "non-profit" UHF that shares the same board of directors with its parent organization. Community Services managed to increase the cost estimate from \$236 million to \$436 million - all of which has been passed on to the Co-op residents.

From the very beginning, the struggle for stabilized rents and tenant control of the development began. A legal suit was initiated more than five years ago by a tenant organization, Steering Committee 1, which cited the UHF, Community Services Inc., eight officers of both corporations, and the State Development Financing Agency for fraud in the original construction of Co-op City. The suit is still pending.

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## Funny money

If it's not gold or silver, then it's not money, according to a 1792 United States Coinage Act.

Dr. Marcel Methot, a California chiropractor has been quoting in court a section of the U.S. constitution which quite clearly states "No State shall make any Thing but gold and silver coin as tender in payment of debts."

This means that fiat or "funny money" (printing press money) is unconstitutional according to the letter of the law. And since the U.S. government has surrendered its constitutionally limited authority to a privately owned money monarchy - using the misleading name of "The Federal Reserve System" - it has in actuality violated the rights of the citizens under the Constitution.

The U.S. public now pays approximately \$43,000 a minute on the national debt to the Federal Reserve - and now, collectively, owe then 597 thousand million dollars. The interest alone is the third largest expenditure in the national budget.

The judiciary is apparently in a quandry as to just what to do about it, for if they decide in favor of Methot and the Constitution it will invalidate the fiat phoney money system and force a return to a different money policy.

"The People's Case," as one journalist has described Methot's stand, will decide the life or death of the dollar.

It appears somewhat ironic that "the people's case" for the defense of the dollar be presented on this 200th anniversary of the tax rebellion which gave birth to the United States of America.

