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NEW YORK DEFAULT?

If New York's problems were caused by a tidal wave, an earthquake, or a hurricane, Americans would help as generously as they have always helped victims of unavoidable disasters.

New York's troubles, however, are of its own making. Nine out of the twelve largest cities in the country had healthy budget surpluses jn 1974. Only New York City had a big deficit. New York's per capita welfare cost is 17 times that of Philadelphia. New Ycirk spends six times as much per citizen to finance city workers' pensions as does Chicago. New York's per capita health and hospital costs are 2½ times those of Detroit. New York is the only city in the country that main tains a huge university and charges students practically no tuition.

Victor Riesel, the respected national authority on labor, reports that thousands of New York City employees goof off with so many vaca tions, holidays, sick leave, and other leisure gimmicks that they actually "turn in half a year's work for a full year's pay."

For more than a hundred years, New York has been the financial capital of the United States, the center of the municipal bond market, and the oracle of national advice about investments. Now the heads of three of the largest New York City banks want the rest of the coun try to pay New York's bills and make good the unsound bonds they foolishly bought. Why didn't the New York bond experts foresee the consequences of New York City's extravagance?

Former Supreme Court Justice Brandeis warned in his classic book Other People's Money about investment bankers who are careless with

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other people's money. The New York City banks must have simply closed their eyes, year after year, to foolish fiscal practices that they never would have tolerated in any other borrowers. The New York City banks should have exercised greater care with their depositors' money instead of pouring good money after bad by lending to what was obvi ously a bad credit risk.

The Conference of Mayors is issuing wild threats that, if we don't bail out New York, we will be "playing Russian roulette with economic disaster." Every time we turn on the tube or pick up an eastern news: paper, we are told that New York City is a United States problem, that it is our obligation to save New York by lending or giving billions of our tax dollars.

Congress should give New York sympathy but no cash. If New York were given the billions of dollars it needs just to stay solvent in the coming year, it would open the floodgates to similar demands from other cities that have been living beyond their means.

But what would be worse is that such emergency aid would relieve New York City of the obligation of putting its own financial house in order. It could go on raising salaries, keeping unnecessary people on the payroll, and handing out free college tuition and welfare bene fits as though there were an endless supply of money.

Governor Ronald Reagan expressed the view of most Americans tax payers when he said that New York "is a plain case of mismanagement." It would be most unjust if the already overburdened taxpayers in the rest of the country were forced to pay for the culpable mistakes of New York City.

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