

New Orleans lays off half its workforce

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In another cruel blow to the city most devastated by Hurricane Katrina, New Orleans Mayor Ray Nagin delivered pink slips on Tuesday to about 3,000 of the city's 6,000 workers. Nagin said they were being laid off because there was insufficient money to meet the payroll and that additional job cuts were likely in the future.

The layoff announcement comes as the city's \$13 million monthly sales tax revenue has shrunk to nothing in the aftermath of the Katrina disaster. Nagin said that negotiations for loans from state and federal agencies have yielded zero dollars so far, and a \$50 million line of credit sought from private lenders had yet to be secured.

"We are just not able to put together the financing necessary to maintain staffing at City Hall at its current level," Nagin said at a press conference Tuesday. "We have no revenue stream, and the prospect of getting revenue streams is pretty dicey. I think we can limp along for another month or two, but beyond two months we'll have to see."

While the city expects to save \$5 million to \$8 million a month with the layoffs, Nagin warned, "We will probably have to do some more belt-tightening."

Workers considered "essential"—such as police officers, firefighters, emergency medical personnel, Sewerage & Water workers, and health and building inspectors—are for the most part not affected. All other city employees' jobs, however, are on the chopping block, and administrative employees in these "essential" departments will not be spared. Nagin described the layoffs as "pretty permanent" and said the prospects were not good for rehiring anyone down the road.

Sacked workers will receive their final paychecks on either October 14 or October 21 (depending on their pay cycle). City employees were instructed to return city-issued vehicles, cell phones and other property

immediately.

Although figures are unavailable, many of the New Orleans city workers losing their jobs are still reeling from the loss of their homes as a result of the Katrina disaster. The federal government has done nothing to provide shelter or low-cost housing to the majority of victims, many of whom have lost everything, including loved ones in some cases, in the hurricane.

Nagin held out the highly unlikely prospect that displaced city workers could be earning higher wages in their new locations. "Hopefully, they have landed on their feet," he said glibly.

The layoff announcement follows last week's statement by Housing and Urban Development Secretary Alphonso Jackson, who said that a rebuilt New Orleans will have fewer poor blacks. While predicting that as many as 375,000 of the city's 500,000 residents would eventually return, Jackson said only 35 to 40 percent would be African-American, as opposed to more than two-thirds prior to Katrina. The gutting of the city's workforce will certainly contribute to making his prediction a reality, as job prospects dwindle.

The job cuts also come as Mayor Nagin has been showcasing his new "Bring New Orleans Back" panel, which is charged with directing the city's reconstruction. The 17-member panel is staffed with multimillionaires, bankers and shipping and real estate moguls. Their vision of a revitalized New Orleans does not include repairing the lives and livelihoods of the city's poor and working families, such as those whose jobs are now facing the axe, but is limited to putting major businesses back on their feet.

The panel is taking its cue from the Bush administration, which has made it clear since the disaster struck that the process of hurricane recovery is to be managed not through government aid dollars and assistance, but through the mechanism of the free

market. Millions of dollars have already been doled out to private corporations—in many cases via no-bid contracts—that are reaping profits off the suffering of the hundreds of thousands of Katrina’s victims.

In his press conference on Tuesday, President Bush reiterated that the federal government’s policy in the disaster-struck region is to be guided by the blind workings of the capitalist market. “The engine that drives growth and job creation in America,” Bush said, “is the private sector and the private sector will be the engine that drives the recovery of the Gulf Coast. So I’ve outlined a set of policies to attract private investment to the affected areas, to encourage small-business development and to help workers in need get back on their feet.”

Contradicting this rosy scenario of recovery, New Orleans City Council President Oliver M. Jackson Jr. described the situation confronting the city: “We’ve had Hurricane Katrina, Hurricane Rita and now Hurricane Layoffs. When will some relief come for the people of this region? We’re dying down here.”

While many New Orleans city workers who lost their homes evacuated, others remained behind. Some were housed in cruise ships along the New Orleans Riverwalk and continued working—if in a limited capacity—at their jobs. For these workers, Tuesday’s layoff announcement was devastating.

One of these workers, Abraham Jackson, a security guard in the city’s parks, told the *New York Times*, “We do not know if we will be employed today, tomorrow or the next day.” Jackson has been spending his time assisting in the cleanup effort, but said he did not expect to return to his job.

In neighboring St. Bernard Parish, another of the hardest hit areas, Parish President Henry “Junior” Rodriguez commented on a radio program, “I haven’t heard anything from the federal government about any aid whatsoever.” He said that without aid, “we’ll have to shut this parish down.... At this point we should be hiring people—not firing people,” adding, “our tax base has been annihilated.”

Rodriguez said the parish could afford to pay its workers for another month before its funds run out, “and then we’ll have to let our people go.” St. Bernard is still operating without electricity a month after the storm, most of the homes are not salvageable and no stores are open. “We’re asking for some help to

survive,” he said.

Communities across south Louisiana, facing similar dire circumstances in the wake of the two major hurricanes, have simply been left by the federal government to fend for themselves as the market works its supposed magic. David Riggins, mayor of Vinton, a southwest Louisiana town of 3,400 devastated by Rita, commented, “My whole commerce area was devastated and I have no tax base.”

At a Monday briefing, Louisiana Governor Kathleen Blanco was surrounded by parish and city workers from at least 15 parishes stricken by Katrina and Rita. She said she has asked Congress and the White House to waive restrictions on the federal Stafford Act, to allow the Federal Emergency Management Agency to pay the regular salaries of public employees. Blanco said President Bush’s chief of staff has told her the White House is looking into it, but has made no promises.



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