

Democrats, unions conspire against Detroit city workers

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Michigan Republican Governor Rick Snyder has ordered a preliminary review of the finances of the city of Detroit, the first step toward the possible appointment of an emergency financial manager (EFM). Under a recently enacted state law, EFMs have dictatorial powers, including the right to void collective bargaining agreements, cut services and sell off public assets.

The city of Detroit, already the poorest big city in America, is facing a \$45 million cash deficit and could run out of funds by April. Its accumulated budget deficit is over \$200 million and reportedly could reach \$340 million by next summer.

Previous cuts have devastated city services. Public transit is in a shambles, with bus riders waiting as long as three hours to be picked up. The city's antiquated public lighting system is subject to frequent power outages and 20,000 of the city's 88,000 streetlights are no longer functional. With a real unemployment rate near 50 percent, tens of thousands in the city are living without basic amenities such as gas, water and electricity.

At a press conference last week Democratic Mayor Dave Bing, the City Council, the heads of major unions and local ministers denounced state intervention in the name of "local control" of city finances. This, however, had nothing to do with defending city workers or vital services. On the contrary, Detroit's multimillionaire Mayor Bing, the City Council and union officials insisted they did not need any outside help to slash the jobs and living standards of municipal workers on behalf of the city's big bondholders.

The Bing administration is calling for massive concessions from city unions, including a 10 percent pay cut, increased health costs and changes to work rules. In addition Bing has called for the layoff of 1,000

city workers and "voluntary" reductions in benefits by the city's 22,000 retirees. The mayor's proposed cuts would amount to some \$102 million in 2012 and \$257 million in the following years.

The Detroit City Council is calling for even more draconian cuts, including 2,300 layoffs. Among the jobs to be eliminated would be 400 firefighters.

While now posing as an opponent of a state takeover, Bing has worked closely with the Republican governor and previously suggested he would be a good candidate to be appointed the city's EFM. The mayor has made no effort to explain his sudden embrace of "home rule" demagoguery, but it appears he has calculated that it is much better to work with the unions to impose the attack on city workers rather than circumvent them.

For its part, the American Federation of State, County and Municipal Employees (AFSCME) has dropped its earlier posturing of opposition to concessions. At last week's news conference, AFSCME Council 25 President Al Garrett, along with other top Detroit area union officials, including United Auto Workers President Bob King, stood shoulder to shoulder with Bing and City Council members. In a statement to the press Garrett declared, "We're going to the table, not the traditional table, [to] fashion out an agreement that includes not only concessions, but other changes." He added, "We are positioned to deal. We have never refused to deal."

As for King, he compared the situation in Detroit to the forced bankruptcy of Chrysler and General Motors in 2009. "We've been through it in the auto industry. It takes business and labor working together," he declared. Out of that crisis the UAW agreed to hand over massive concession on jobs, wages and pensions in exchange for preserving its position as partner and major shareholder in the corporations.

King's remarks were so craven he even won the praise of the right-wing *Detroit News*, which called him, "the most seasoned and realistic labor leader operating in this city."

The claim by City Council members to stand with working people against a state takeover of Detroit finances is no less fraudulent. Detroit City Councilwoman JoAnn Watson attempted to portray the crisis in racial terms, comparing it to "Rosa Parks' refusal to give up her seat on the bus."

Racial politics has long been the stock-in-trade of the Democratic Party in Detroit. In reality, Watson and other City Council members speak for a small affluent layer of African-American politicians and business owners who have prospered even as conditions have deteriorated for masses of working people in Detroit, black and white.

Last June, Watson voted for even bigger budget cuts than those proposed by Mayor Bing. The main concern of Watson and fellow Council members is not the threat of more cuts, but that they could be sidelined or even dismissed in the event of a state takeover of Detroit.

In an attempt to divert attention from their own support to layoffs and concessions, AFSCME officials and local Democratic politicians are supporting a petition drive to overturn the financial manager law. They claim to have collected 155,000 signatures so far toward a minimum requirement of 161,000. However the real issue is not whether politicians in Lansing or Detroit make the cuts, but opposition to all the cuts.

While portrayed by the media and local politicians in narrow, parochial terms, the assault on jobs and social services in Detroit has national and international implications. The Obama administration has used Detroit as a testing ground for its reactionary "school reforms" and "urban reforms." The cuts being proposed will be used as a precedent for an attack on the conditions of workers throughout the United States. It comes at the same time that the bankers are imposing drastic austerity measures on workers across Europe.

In another ominous development, the *Detroit Free Press* Sunday published an article speculating on the possible merits of a bankruptcy filing by Detroit. Pointing to the city's "spiraling cost of pension and health care benefits," the piece quoted financial industry figures who suggest that a bankruptcy filing would be the best means to shed the city's obligations

to retirees. The writer noted that an emergency financial manager had only "limited power in dealing with those kinds of costs." He went on to quote an official with a local restructuring firm who said the failure of an EFM to cut sufficient costs would make the city "a good candidate for bankruptcy."

To oppose these attacks workers must build new organizations of struggle independent of the unions and the Democratic Party establishment. They must launch a campaign now for the building of rank-and-file workplace committees and neighborhood committees to defend jobs and social services. An appeal should be made for a united fight by all sections of working people in Detroit and across southeast Michigan against the threat of mass layoffs and concessions. Workers should not pay a penny for the crisis, which has been created by Wall Street and the looting of the city by the auto companies and other big corporations.

This fight is a political fight. Both parties, Republicans and Democrats, insist that working people pay for the bankruptcy of the city. Bing and the Democratic City Council, no less than Republican Governor Snyder, are defenders of the banks and big business and enemies of working people. The working class must break with both corporate-backed parties and build an independent party of its own to fight for the reorganization of society on a more just and rational basis. This means the fight for socialism, the public ownership of the banks and major corporations under the democratic control of the working class.



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