

Detroit City Council delays vote on dictatorial budget-cutting measure

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Following a tense session Monday, the Detroit City Council postponed a vote on a modified consent agreement proposed by Michigan Republican Governor Rick Snyder and Democratic State Treasurer Andy Dillon that would give city officials the power to rip up existing union contracts, outsource work and destroy workplace protections rather than impose a state-appointed Emergency Manager (EM) with dictatorial powers.

It is expected that council members will accept the agreement, perhaps with certain slight modifications, before a Thursday deadline.

The city council hearing, from which all but a few members of the public were excluded, was also attended by Deputy Detroit Mayor Kirk Lewis who is serving as acting mayor while Mayor Dave Bing is recovering from a hospital stay. The mayor has made it clear that he is in agreement with the consent agreement and has pushed for the council to approve it.

Following the finding by a ten-member panel, appointed by Snyder to review Detroit's finances, that a "severe financial emergency" exists in the city, the governor gave city officials until April 5 to accept a consent agreement. If no deal is worked out by then the governor, under provisions of Michigan's Public Act 4, says he will make a decision on the appointment of an EM with the ability to void union contracts, cut services, sell city assets and even remove elected officials.

Detroit, the poorest big city in America, has a budget deficit of some \$200 million and could run out of cash within weeks. The threat of more massive cuts takes place under conditions of a virtual breakdown of city services. Bus transportation is in a shambles from round after round of cutbacks and the fire department is so undermanned that it has imposed rolling

"brownouts" of fire companies, seriously undermining the ability of crews to respond in a timely manner to fires.

The new proposal by Snyder is an indication that the governor has decided it is better to work through the Democratic Party and the unions to make the working class pay for the economic crisis in the city rather than impose the cuts directly through a state takeover. In contrast to an earlier proposal by the governor that would have placed all power in the hands of an unelected Financial Review Board, the modified consent agreement allows the mayor and the city council to retain their roles.

The agreement requires Bing to scrap recently negotiated contracts with city worker unions containing some \$360 million in concessions and impose even deeper cuts. These would include changes in work rules and the elimination of defined benefit pensions for new hires in favor of 401(k) type defined contribution plans. Bumping rights for city employees would be eliminated and city employees could be forced to work outside their job classifications. The agreement requires that city worker unions agree to additional concessions by July 16 or the city can impose contracts.

Under terms of the new proposal a nine-member financial advisory board appointed jointly by city and state officials would review all fiscal matters, including union contracts. Further, the consent agreement relieves the city of obligations under terms of the state's Public Employment Relations Act that, among other protections, guarantees public workers the right to collective bargaining.

The governor's plan calls for the creation of the position of a chief financial officer and chief operating officer who would report to the mayor. A program manager would also be appointed to oversee the cuts.

If the financial advisory board determines that city officials are in breach of the consent agreement, the state treasurer is empowered to impose sanctions on the city up to and including the appointment of an Emergency Manager.

Under terms of the proposed consent agreement, the state would not provide any funding to help the city pay its bills. Instead the city will be allowed to borrow \$137 million to meet current cash obligations and refinance its debt. The city is currently staggering under a debt load of some \$13 billion.

At the Monday morning session of the Detroit City Council, council members declined, over the protests of union officials, to vote on accepting concessions contracts recently ratified by city worker unions. This is in line with the demands of the Snyder administration that the city seek deeper cuts. In an effort to cover their impotence and treachery, union officials went to court last week in an attempt to block the imposition of a consent agreement or the appointment of an Emergency Manager, saying that meetings of the panel appointed by Snyder to review Detroit's finances violated Michigan's Open Meetings law. However, on Monday a federal judge declined to issue an injunction.

During the public comment portion of the council meeting a number of speakers sought to present the conflict in racial terms. American Federation of State County and Municipal Employees Council 25 President Al Garrett, for one, declared that the consent agreement meant that "black folk that primarily work for the city of Detroit ought not to have any rights." The injection of race into the discussion by union officials and various Democratic Party politicians is a calculated attempt to obscure the fundamental class issues involved in the attack being carried out against workers in Detroit. Once again racial politics is being used to try to line black workers up behind a section of African American politicians, primarily Democrats, who are just as hostile to the interests of working people as their white counterparts.

Detroit is being used as a testing ground for far-reaching attacks on working people across the United States and internationally. The struggle against the cuts in Detroit requires the mobilization of the working class on the widest possible basis around a common program.

Workers are being told that there is no money for

vital social programs under conditions where the Detroit-based automakers are recording huge profits. On Friday Ford Motor Company announced that it awarded CEO Alan Mulally a pay package worth \$29.5 million last year. Most of his compensation was in the form of stock options. The automaker's stock has risen 15.7 percent for the year. Automaker General Motors recently announced that it made record profits in 2011.

The stranglehold of the wealthy elite over all aspects of economic and social life must be ended. This requires the independent political mobilization of the working class on a socialist program.



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