

Detroit city council approves brutal cuts

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The Detroit City Council voted Thursday to approve a fiscal 2012-13 budget that imposes huge cuts in jobs and city services. The budget contains most of the \$250 million in spending cuts proposed by Detroit Democratic Mayor David Bing last month, including the elimination of 2,566 jobs out of a workforce of 11,000.

The budget imposes a 10 percent pay reduction on city workers and eliminates the Department of Human Services. The lighting department and the Detroit Department of Transportation (DDOT) are to be privatized, and the budget of the fire department will be slashed by 13 percent.

The budget approved by the city council follows the terms of the consent agreement entered into between the city of Detroit and the state of Michigan in April. The agreement detailed spending cuts and concessions to be imposed on city worker unions to eliminate the city's budget deficit, estimated at over \$200 million. Failure to meet the targeted spending cuts could result in the imposition of an Emergency Manager with dictatorial powers to void union contracts and slash spending under terms of Michigan's Public Act 4.

The budget must still win approval from the Financial Advisory Board created under terms of the consent agreement. The nine-member board will consist of appointees chosen by Michigan Governor Rick Snyder, Mayor Bing, the Detroit City Council and Michigan Treasurer Andy Dillon.

The only two board members that have yet to be named are the council appointees. The city council has held off a vote on the appointments until a judge rules on a challenge to the legality of the consent agreement by the city's law department. Dillon has indicated that

the state plans to move ahead with the work of the board without waiting for the council appointments.

Those appointed so far to the Financial Advisory Board all have close ties to big business and the political establishment. The most recent pick was Ronald Goldsberry, an auto consultant for Deloitte Consulting. Previously he served as vice president of global service business strategy for Ford Motor, the second African American vice president in Ford history.

The new layoffs come on top of 1,000 job cuts announced by Bing earlier in the year. They follow round after round of devastating cuts that have shredded basic services. Previous cuts to DDOT have ended 24-hour service on all routes, reduced weekend service and eliminated several lines. Another \$10 million will be slashed from DDOT in the new budget.

The Detroit Fire Department is already so short of resources that it regularly imposes rotating "brownouts" of fire companies. Under the new budget, its workforce will be cut from 1,400 to 1,250. Among the jobs to be eliminated are those of firefighters and emergency medical service workers.

The Detroit Department of Human Services will be eliminated, and the budget provides just six months funding to the city's health department while its future is determined. The functions of the human services department, which handles funding for home weatherization, Head Start and other programs for low-income people, will be shifted to outside charities and social service organizations.

The consent agreement suspends collective bargaining rights for Detroit city workers, meaning that

when contracts expire on June 30 the city can dictate its own terms. The state has required that, in addition to pay cuts, the city impose drastic changes in work rules as well as a requirement that new employees no longer receive a defined-benefit pension. The health benefits and pensions of current employees are also being targeted.

As part of its cuts, the city is planning to eliminate nearly half its streetlights. Currently 40 percent of the city's 88,000 streetlights are broken. The city plans to concentrate lights in neighborhoods that are considered "viable," leaving large sections of the city literally in the dark.

The decision to ration street lighting is part of a plan by Mayor Bing to close down whole areas of the city deemed distressed, denying them basic services and driving the residents out.

Those living in distressed areas will no longer see any improvements. Streets and sidewalks will not be repaired, and abandoned homes will not be demolished.

According to a recent report in the *Detroit Free Press*, the city is already moving forward aggressively with these plans. Those living in distressed neighborhoods are no longer eligible for the citywide drawing for the Senior Emergency Home Repair program funded by Community Development Block Grants. The approximately 500 people chosen in the drawing are eligible to receive home repair grants of up to \$12,000.

Further, residents in neighborhoods deemed distressed are no longer eligible for grants under the city's Minor Home Repairs program. Under the rules of that program Detroit residents with incomes up to 80 percent of the average median income are eligible to receive up to \$25,000 in grants to address health and safety issues in their homes. While disqualifying residents in some neighborhoods, the rules of the program have been recently changed to permit grants of up to \$75,000 in areas deemed viable.

The *Free Press* reports that the city is coordinating its plans with gas and electricity monopoly DTE Energy as

well as the Detroit Public Schools. DTE has been a major backer of Bing's plans to shut down neighborhoods, which will relieve it of the cost of maintaining power lines in areas with few paying customers.

As in Greece, the brutal assault being carried out against the working population of Detroit will be used as a precedent for attacks on working people across the United States and internationally. The fight against the cuts requires the widest possible mobilization of the working class.

The SEP is fighting for the construction of rank-and-file workplace and neighborhood committees independent of the unions to spearhead the fight against the cuts. Above all, the working class needs a new political party and program. The working class must build a political party of its own, independent of the two parties of big business, the Democrats and Republicans. Social and economic life must be re-organized on a new and more rational basis, production for human needs, not private profit.

This is the struggle advanced by the Socialist Equality Party and its candidates, Jerry White for president and Phyllis Scherrer for vice president. We urge all workers and young people who agree with this program to become active and support the campaign.

For more information on the SEP and to get involved, visit socialequality.com.



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