

# Stop the assault on public employees and social services!

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The drastic wage-slashing in Scranton, Pennsylvania and the bankruptcy of San Bernardino, California should be taken as a warning, not only by municipal workers but by the working class as a whole. The American financial elite is moving to a new stage in its attack on jobs, wages, social services and pensions. It is going well beyond budget cuts, to the wholesale destruction of living standards and social rights, directly robbing the working people to further enrich the multi-millionaires.

In Scranton the Democratic mayor has reduced the pay of every city employee to the legal minimum wage of \$7.25 an hour, a cut of two-thirds for many workers. Benefits for disabled city workers, such as firefighters injured on the job, were also cut to \$7.25 an hour. The mayor claimed the city had run out of money and no bank would provide a loan.

San Bernardino became the third California municipality to file bankruptcy in little over a week, following Stockton, a city of 300,000 people, and the small ski resort town of Mammoth Lakes. As in Stockton, the main purpose of filing for bankruptcy is to obtain court sanction to rip up union contracts and impose huge cuts in wages and benefits on city employees, as well as slashing the benefits for both active and retired workers.

At least a dozen more California cities and towns are now in danger of bankruptcy, in large measure because of the long-run impact of the collapse of the mortgage bubble which has slashed property values and tax revenues. A fiscal policy advisor for the California League of Cities said Tuesday that some cities would not even bother to file for bankruptcy protection. "They may dissolve," he said. "They may cease to exist."

The collapse of local governments is nationwide in

scope and systemic. One study found that local governments in the United States were operating with a collective deficit of half a trillion dollars, and had unfunded pension liabilities of another \$1.5 trillion. Some 40 percent of American cities and towns have cut payroll since the financial crisis began in 2008. All told, local governments have cut more than 500,000 jobs over the past four years.

Democratic and Republican politicians are jointly responsible for the deepening crisis in municipal finance. While handing over trillions to Wall Street, the Obama administration has systematically starved states and municipalities of resources. The financial criminals who provoked the crisis have fully recovered their fortunes, while states and cities have been devastated by plunging home values and the loss of tax revenue due to the closure of businesses and high rates of unemployment.

The woefully inadequate sums provided under Obama's so-called economic stimulus bill have long run out and the White House has refused any additional aid. This is not a mistake but a deliberate policy. The financial crisis is being used to carry out a savage attack on social service and the jobs and living standards of the workers that provide them. Obama set the precedent for this in the auto bailout of 2009 when the wages of new-hires were cut in half and health and pension benefits for retired workers were slashed.

Governors of both parties have sought to use the crisis to force through cuts in local government services. In Ohio, for example, the state has a \$235 million budget surplus, but the Republican governor has insisted that all of this money should be deposited in the state's rainy-day fund, and none should be used to help hard-pressed cities like Cleveland and Youngstown.

In Pennsylvania, where Scranton, the third-largest city in the state is near financial collapse, the Republican-controlled state government has pushed through \$100 million in tax incentives for big corporations, including Shell Oil, which made \$31 billion in worldwide profits last year.

In Michigan, where I live, successive governors, a Democrat and a Republican, have used a state law empowering them to appoint emergency managers for cities, towns and school districts in financial crisis, abolishing any pretense of democratic control of local government and establishing open dictatorship by direct representatives of the Wall Street creditors.

What is developing in the United States is an assault on jobs, living standards and public services every bit as vicious as the austerity policies being imposed on working people in Greece, Spain, Ireland and other European countries, at the orders of the European Union, the IMF and big banks, with the support of the Obama administration.

The Crash of 2008 was the starting point for the launching of a social counterrevolution, in which the ruling elite has worked systematically and deliberately to restore and increase its own wealth by plunging tens of millions of working people into poverty and destitution. Public employees have borne the brunt of these attacks.

As the Scranton example shows, there is no line that the billionaires and their political agents in the Democratic and Republican parties will not cross. One fireman noted that he was now being paid less to risk his life fighting fires than one of his neighbor's children was making to sell ice cream cones.

The unions will not lift a finger to defend the workers. The only concern of the unions is to maintain their "seat at the table" with the government and continue the deduction of union dues from even when their pay drops to the minimum wage. Public sector unions like AFSCME are enthusiastically backing Obama—no matter how vicious his attacks on workers—because the Democrats have traditionally utilized the services of the unions to slash jobs and living standards.

The crisis of the state and the cities demonstrates the

failure of the capitalist system, which is engulfed in the worst global breakdown since the Great Depression. In every country, the ruling class has sought to make workers pay for this crisis. It is time that the working class formulate its own answer and begin a fight back.

As the Socialist Equality Party candidate for US president, I call on the workers of Scranton and workers throughout the country to reject all demands for concessions and the destruction of social programs. Workers and residents should organize workplace and neighborhood action committees, independent of the unions and the Democratic Party, to fight layoffs, concessions, school closings and other efforts to dismantle and privatize vital social services.

The SEP insists that education, health care, access to culture and recreation, and secure and decent-paying jobs are social rights. The securing of these rights, however, requires a political struggle against the entire capitalist system and the two big business parties that insist that the "rights" of the financial aristocracy must take precedence over the needs of working people.

A mass political movement of the working class, based on the fight for socialism, must be built so that workers can take political power in our own hands and distribute the wealth we create to meet human needs, not private profit. This includes nationalizing the banks and putting under the democratic control of working people the vast sums that are now monopolized by the financial speculators and bankers.

On this basis, a multi-trillion-dollar public works program must be launched to rehire the millions of laid-off public employees and construction workers, and hire the millions more who are needed to rebuild the cities and provide the public services required for a decent and civilized life.



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