

Bipartisan war on public employees

# Detroit mayor imposes 10 percent pay cut, layoffs

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In a brutal attack on the jobs, living standards and democratic rights of the working class, Detroit's Democratic mayor, David Bing, acted Wednesday to impose an across-the-board pay cut of 10 percent, major cuts in health benefits, and hundreds of layoffs, on top of huge concessions already accepted by municipal employee unions.

Bing was making the first use of his emergency powers under a "consent agreement" between the city government and the state of Michigan, which gives the mayor the authority to set pay and conditions for city employees in the absence of a union contract. The contracts for 35 of the 48 municipal employee unions expired June 30.

The mayor dismissed threatened lawsuits by the unions, declaring "we have to act, and we have to act now." The Detroit City Council voted by 5-4 to reject the new employment conditions, but their action was meaningless under the consent agreement, which the same council ratified last month.

The cuts are projected to save the city \$102 million, eliminating two-thirds of an estimated \$150 million annual budget gap, meaning that further cuts will be forthcoming, likely targeted against the workers in the remaining 13 union locals whose contracts have not yet expired. In addition to the 10 percent wage reduction, longevity pay was eliminated for longtime employees, the health care co-pay was doubled from 10 percent to 20 percent for many workers, and vacation days were cut by as much as one-half.

Bing also announced the handover of the city's Workforce Development Department to a private nonprofit agency, Detroit Employment Solutions Corp., eliminating the jobs of 48 city employees.

Layoff notices were delivered for hundreds of other city

employees, with the exact number and distribution of the job cuts not yet made public. Overall, Bing plans to cut 1,000 jobs from a total city workforce of 11,000.

Both of the city's corporate-controlled newspapers hailed Bing's unilateral action, with the *Detroit News*, aligned with the Republican Party and the major auto companies, calling it "the first major step toward sustainable financial sanity."

The *Detroit Free Press*, aligned with the Democrats and the union officialdom, also backed the plan, while citing concerns that in barring further talks with the unions, Bing might be provoking an upheaval that neither he nor the union leaders could control.

The newspaper quoted a longtime Detroit labor lawyer warning, "We might see unprecedented group actions over this. This could be the start of Michigan's version of what happened in Wisconsin last winter and spring."

The unions are implacably opposed to any such resistance by municipal workers and the city's impoverished working class, as they have demonstrated in their actions throughout the deepening financial crisis in Detroit. The unions accepted unprecedented cuts in tentative contracts negotiated in April, but did not dare put them to a vote in the face of widespread hostility from the rank-and-file.

The Republican-controlled state government then intervened, with Governor Rick Snyder demanding the consent agreement as a condition of further state loans to the bankrupt city government. In effect, Bing was told to tear up the newly negotiated contracts and impose much greater cuts, or the state would step in and appoint an emergency manager who would supersede him. Bing, a multimillionaire auto parts boss before becoming mayor, readily complied.

The attack on municipal workers in Detroit is only one

battle in a bipartisan war against municipal and public workers throughout the United States, as both Democratic and Republican politicians alike seek to impose the burden of the capitalist economic crisis on the backs of working people.

In the past month, three California cities, Stockton, Mammoth Lakes and San Bernardino, have filed for bankruptcy or declared financial emergencies—actions which allowed them to void union contracts and cancel obligations to pay health and pension benefits for retired workers.

A fourth California city, Compton, just south of Los Angeles, has been placed on credit watch and is expected to file for bankruptcy next month. Compton has cut its municipal workforce 15 percent in a year. So deep is the crisis of municipal finance that an adviser to the League of California Cities warned last week that some jurisdictions in the state “may cease to exist.”

In Scranton, Pennsylvania, like Detroit an old industrial city devastated by plant closings, the Democratic mayor last week slashed the pay of every single municipal employee to the federal minimum of \$7.25 an hour, citing a cash-flow crisis. Camden, New Jersey, another severely blighted ex-industrial city, has laid off half its policemen and one-third of its firefighters.

Detroit, however, is the most devastated large city in America. The school system has been ruled by a state-appointed emergency manager since Snyder’s Democratic predecessor, Jennifer Granholm, first ordered the takeover. Since then, more than half the public schools have been shut down, with schoolchildren herded into charter and for-profit schools, while teachers have faced 10 percent pay cuts and mass layoffs.

As for the city government, the only “growth area” involves planning for the deliberate abandonment of entire neighborhoods, where public services from fire protection to street lighting to public education are being terminated in order to force residents to leave. The city is pouring tens of millions of dollars into razing houses and other structures to clear land for commercial or even agricultural use.

The collapse of the cities represents a colossal historical failure of the capitalist system. Detroit alone has generated hundreds of billions in profits for the American capitalist class during its century as the center of the American auto industry. Yet the city’s working class population is now treated as undeserving parasites who are demanding an unrealistic level of municipal services.

Despite the suggestions that Detroit workers and

residents are revolting against arithmetic—or the even more pernicious efforts to pit workers and residents against each other, when both are the victims of the crisis of the profit system—the claim that “there is no money” is an insult to the intelligence of working people.

The amounts required to cover the budget deficits of Detroit and other cities, as well as near-bankrupt state governments, are a drop in the bucket compared to the colossal sums that were made available to rescue the Wall Street banks and other big financial speculators in 2008-2009.

Under capitalism, trillions are available to bail out the super-rich and restore corporate America to an ever-greater level of profitability. But nothing is available to maintain the jobs and living standards of working people, provide a future for working class youth, or ensure that aging workers who have labored all their lives will be able to enjoy a dignified and secure retirement.

Neither the unions nor the Democratic Party represent the interests of the working class. On the contrary, the unions have been transformed into a tool of corporate management and Wall Street in blocking any struggle by working people. And the Democratic Party, from the Obama White House down to petty agents of big business like Detroit’s Mayor Bing, is completely committed to the defense of capitalist interests.

Tens of millions of workers and youth are looking for a way to fight back. The only way forward is the building of an independent mass political movement of working people against the profit system based on a socialist program. This is the political perspective fought for by the Socialist Equality Party and our candidates for president and vice-president, Jerry White and Phyllis Scherrer. For more information on this campaign, visit [www.socialequality.com](http://www.socialequality.com)

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