

# Under threat of bankruptcy, Detroit escalates assault on working class

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Detroit Mayor David Bing and the city council, in cooperation with the Michigan state government, are using the threat of potential bankruptcy to escalate the assault on city workers.

Bing, a Democrat, has threatened to implement unpaid furlough days beginning in January and enforce other unspecified cuts in response to a loss of \$10 million (and possibly an additional \$20 million) in state funding. According to Bing, police, firefighters, EMS workers and employees in “revenue-generating departments” would not be affected.

Bing blames the reduction in funding on a vote in the city council earlier this month not to approve a \$300,000 contract between the city and the Miller Canfield law firm. Bing has sought to contract the firm to advise the city in its “reform” efforts. The mayor said that the furloughs and other cuts are “necessary to keep the city from falling into further financial distress” after the city council vote.

Miller Canfield is a top corporate law firm, counting as its clients some of the Detroit area’s largest corporations and banks. Both the city and the state are seeking to utilize its services as part of a “consent agreement” passed earlier this year to restructure city services and drastically cut costs. Council members have cited a potential conflict of interest in rejecting the contract and are seeking a deal with a different law firm.

The firm also played a large part in drafting Michigan’s emergency manager law, Public Act 4, which was voted down in the recent election.

On Monday, the council postponed an emergency meeting called by Bing to reconsider the contract, on the grounds that the meeting had not been properly advertised. It will likely be rescheduled for next week.

There are increasingly bitter divisions between the

mayor’s office and the city council over matters of power and control—and the financial resources that flow from it. However, all sides are agreed on the need to implement historic attacks on the working class, with the backing of the state administration of Republican Governor Rick Snyder.

A spokesman for state treasurer Andy Dillon—a Democrat in the Snyder administration—responded to the infighting by saying, “We have made clear numerous times before, continued or protracted delays do nothing to solve the city’s problems. They only drag them out and make them worse.”

A particular target of the ruling elite in Detroit are the sewerage and water workers. Also this month, the city council rejected Bing’s plan to give a five-year, \$48 million contract to private consulting firm EMA, Inc. Under the proposed contract, EMA would have directed the city on how best to privatize water service, reducing the current workforce by 81 percent, from 1,978 employees to 374, and then to add 361 contract workers.

Though the elimination of the majority of the current workforce has been stalled, it has not stopped the Bing administration from imposing cuts on the sewerage workers, including a ten percent cut in wages, a twenty percent rise in health care costs and cuts in pension benefits.

For its part, the city council voted for \$65 million in cuts to Detroit last year, including attacks on transportation, the arts and the fire department.

Both the mayor and city council are agreed that the city workers of Detroit should be put under private control. This was at the heart of the privatization of the management of the transit system earlier this year.

The sewerage workers are being made an example of because of the profitability of the enterprise. The

Detroit Water and Sewerage Department (DWSD) serves 4.3 million people in the metro Detroit area. Hundreds of millions of dollars have been spent on contracts to supposedly upgrade the system, and yet rates for the customers have continued to rise.

In addition, the sewerage workers are being attacked for their militancy, and for the militancy of the Detroit working class as a whole. In the fall, sewerage workers engaged in a five-day strike against the plans of Bing and the cuts enforced by the city. While the strike was isolated and defeated through the actions of the union—which is itself aligned with a section of the city apparatus—it gave expression to the determination of workers to oppose the dictates of the city and the states.

At the meeting of the city council last week—at which the EMA and Miller Canfield contracts were rejected—one sewerage worker told the *World Socialist Web Site*, “From [federal judge Sean Cox], to Governor Snyder to Dave Bing, they look at the water department as a cash cow.” Cox is the judge overseeing the DWSD “reform” plans.

“They are trying to balance the budget on our backs. It is like we are working for free. We just took a 10 percent pay cut. I have four kids that I can’t support. I am concerned about my livelihood. I was one of the 34 workers who were victimized during the strike. It wasn’t planned properly. We got our jobs back, but it wasn’t a victory. It has gotten worse since then. Some people are saying they have to work an additional 25 hours just to get back what they took out in pay cuts.”

JC, a maintenance worker for the Detroit Water and Sewerage Department was angered that the cuts took place. “We took a 10 percent pay cut and a 20 percent raise in health care costs. We work everyday and still have to get food stamps.”

“Now, all our homes are being taken because we can’t pay the mortgage. How can we live? We can’t have any more concessions.”



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