

State of the City speech

Detroit Mayor Bing defends layoffs, pay cuts

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In his annual State of the City address Wednesday night, Detroit Mayor David Bing defended the policies of his administration, which have left a trail of wreckage across the city. Hardly bothering to conceal his indifference to the conditions facing working people in Detroit, the Democratic mayor boasted of having carried out savage budget cuts that have decimated fire protection, bus service and other vital city services.

His speech followed by two days an announcement by the unelected board overseeing Detroit's finances that it would impose 26 unpaid furlough days on 600 unionized city employees, the equivalent of a 10 percent pay cut. The Detroit Financial Advisory Board's action followed the imposition of a similar cut on nonunion employees and comes on top of a 10 percent across-the-board pay cut implemented last year. The cuts also include changes in work rules and a stipulation that new-hires be ineligible for defined-benefit pensions.

Bing spoke unabashedly as the chief bill collector for the banks and financial interests that control Detroit's debt, which now stands at some \$12 billion. He boasted of reducing overall city spending from \$1.4 billion in 2009 to \$1.1 billion today. He proudly noted that he had reduced city payrolls from 13,420 to 9,696 and outsourced the work of three city departments, including the city's Department of Health and Human Services.

In an interview after the speech, a television reporter asked Bing if he empathized with the plight of people suffering under the impact of the cuts. The multi-millionaire mayor replied, "I don't do a speech to satisfy everybody... You can't look at every problem as your problem. You have to be realistic."

The policies of the Bing administration and the Democratic-controlled City Council have produced a

disaster for working people in Detroit. The city is already the poorest big city in America and recorded a child poverty rate of 57 percent in 2011.

During his speech, Bing claimed that the city is maintaining basic services. This is a cruel joke in a city where hundreds of thousands of residents struggle every day with sporadic bus service, streets and roads in disrepair, and neighborhoods plunged into darkness due to nonfunctioning streetlights.

A series of budget cuts in the Detroit fire department have led directly to the deaths of city residents, including a 71-year-old man who died in a house fire only four minutes from a fire station that had been closed. As one firefighter exclaimed following a fatal house fire, "They are killing people."

In one of his most recent pronouncements, Bing slated 51 city parks for closure and announced a reduction in operations at city recreation centers.

Particularly absurd was Bing's claim that his administration had worked to improve bus transportation. Bus service is near collapse, with frequent breakdowns in an aging bus fleet, leaving riders stranded for hours. Cuts amounting to more than \$10 million last year ended 24-hour service, reduced weekend service, and imposed increased wait time between buses. The cuts involved the layoff of 300 of 1,216 transit employees.

The Bing administration is moving to close down whole neighborhoods, driving residents out by denying them essential services. These areas of the city have been targeted for the closure or brownout of fire stations and the shuttering of schools. The widespread termination of electrical service by DTE Energy is part of the plan.

None of these measures have satisfied the city's creditors, who are pushing for Michigan's Republican

governor, Rick Snyder, to appoint an emergency manager to take control of Detroit's finances. A report by a financial review board appointed by Snyder to review the city's finances is imminent and could set the stage for the naming of a state overseer. Snyder says he is already reviewing a list of possible candidates for the emergency manager position—a job invested with dictatorial powers under the terms of revised legislation recently enacted by the state legislature.

There is increasing speculation that the appointment of an emergency manager will lead in short order to a bankruptcy filing. If that were to take place, it would be the largest municipal bankruptcy in US history. Bankruptcy is favored by a section of the financial elite because it would allow even deeper attacks on workers, including cuts in pensions and retiree health benefits.

In his speech, Bing singled out for special praise the wealthy financial interests to whom his administration is beholden. This included Bill Pulte, the billionaire owner of Pulte homes, one of the largest homebuilders in the area; Mike Illitch, owner of the Little Caesar's Pizza chain and the Detroit Tigers baseball team; and Quicken Loans founder and chairman Dan Gilbert, who is on a speculative buying spree of vacant downtown properties. Any one of these individuals could write a check to cover the current budget deficit of the city of Detroit.



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