

Social counterrevolution in Detroit

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Detroit Emergency Manager Kevyn Orr announced a plan Friday to wipe out the pensions and health benefits of all current and retired city workers, condemning nearly 20,000 retirees and their families to poverty and poor health. The de facto dictator of Detroit is calling for the elimination of \$9 billion in workers' benefits at one stroke.

Orr outlined an attack on the working class unprecedented in modern history. Not even the Greek government, acting as the instrument of the European Union and the banks in imposing brutal austerity measures, has proposed such a sweeping attack on basic health and retirement benefits.

The move marks a new stage in the drive by the American ruling elite to utilize the economic crisis that erupted in 2008 and the resulting mass unemployment to destroy all of the gains won by workers in a century of struggles. This, as the *World Socialist Web Site* has insisted, is nothing short of a social counterrevolution. Detroit is to set a precedent for similar attacks in cities across the US and internationally.

Orr, a bankruptcy lawyer appointed—not elected—to his post, made the proposal to pay less than 10 cents on the dollar for retiree benefits in a plan submitted to the city's creditors Friday. Under his scheme, the city will drop health care coverage for current and retired employees, forcing them to enroll in the federal Medicare program or purchase coverage on the private health care exchanges to be set up under President Obama's health care "reform."

This will mean drastic cuts in health coverage for workers, retirees and their families and huge increases in out-of-pocket costs. Pension benefits will be gutted.

In addition to the cuts in workers' benefits, the city's trash collection system is to be privatized and the public lighting department handed over to the utility giant DTE, which is responsible for shutting off the utilities of thousands of Detroit residents, resulting in

dozens of deaths from house fires and other disasters. Nearly half of the city's streetlights are to be removed.

The water and sewerage treatment department, which creates significant revenues for the city, is to be spun off to a regional authority and the entire workforce laid off and replaced by workers making far lower wages.

Even with these draconian cuts, Orr said he is still considering selling off the artwork at the Detroit Institute of Arts, as well as the animals at the Detroit Zoo. If the city's creditors do not agree to the proposal, Orr is threatening to drag the city into bankruptcy, with himself as the sole representative of the city before the bankruptcy judge.

The Constitution of the state of Michigan protects the pensions of government employees, but Orr is insisting this is irrelevant. No constitutions or contractual rights of employees will be allowed to stand in the way of the drive by the city's bank and hedge fund creditors to plunder the city's treasury and make the working class pay the price.

Orr has sought to present his proposal as a call for "shared sacrifice" from the city's creditors and workers alike. This is a lie. The largest creditors are insured and will take only minimal losses, while tens of thousands of workers and their families will be thrown into poverty and robbed of benefits for which they have worked all their lives.

The entire political establishment of Detroit—the Democratic Party, the media, the unions, the "civil rights" leaders—is lining up behind Orr's proposals.

The local press and broadcast media are praising his "tough" approach to "turning around" the city. The unchallenged premise is that the working class must pay so that the financial criminals who created the economic crisis can further enrich themselves.

Orr feels able to propose such cruel attacks because he knows the unions will do nothing to oppose him. These organizations will accept anything Orr proposes,

provided their institutional interests and ability to collect dues are protected.

“He’s asking everyone to help, not just unions who have nothing left to give,” Carl Anderson, president of Utility Workers Union of America Local 488, representing workers in the water department, told the *Detroit Free Press*. The newspaper paraphrased Anderson as saying, “Orr is playing it straight, and the cuts will be one time and final.”

Who are the people who are demanding that Detroit workers return to conditions last seen in the 1930s?

Orr, a wealthy Wall Street lawyer, is well connected to the Democratic Party and the Obama administration. In the 2009 restructuring of the auto industry carried out by Obama, he played a key role in the destruction of the wages and benefits of auto workers, representing Chrysler in bankruptcy court. Orr speaks for the hyenas of Wall Street who see a dollar spent on a worker’s health care or retirement as a dollar stolen from their pockets.

The rape of Detroit is of a piece with the Obama administration’s nationwide assault on the working class. Orr’s move to dump city workers onto Obama’s cut-rate medical exchanges underscores the reactionary and anti-working class character of his health care overhaul, which includes incentives for employers to end their health insurance programs.

Orr’s attack on workers’ benefits is an expression of the dictatorship exercised by the financial oligarchy in the United States over all aspects of life. Neither the needs of society, nor public opinion, nor the law have any impact on their drive to enrich themselves.

Workers cannot stand by while they are robbed of all they have! The Socialist Equality Party and its mayoral candidate, D’Artagnan Collier, are fighting to build a mass movement of the working class in opposition to the attack on jobs and living standards.

Collier is calling for workers to mobilize to drive Orr out and end the bankers’ dictatorship. He is calling as well for replacing the corrupt, corporate-controlled City Council with a Council of Workers.

The claim that there is no money for health care, retirement benefits or decent wages is a lie. The SEP calls for the seizure of the ill-gotten wealth of the Wall Street swindlers and the allocation of trillions of dollars to rebuild Detroit and other cities throughout the country.

Collier’s socialist program includes the nationalization of the banks and corporations and their transformation into publicly owned and democratically controlled institutions. Only in this way can a decent life—including the right to housing, health care, education, a secure retirement and culture—be guaranteed for all.

We urge all those who support this fight to contact the Socialist Equality Party and become active in the mayoral campaign of D’Artagnan Collier.



To contact the WSWs and the Socialist Equality Party visit:

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