

Mass opposition in Detroit to planned cuts in pensions, sell off of DIA artwork

Joseph Kishore
23 September 2013

Local, state and national politicians, both Democrats and Republicans, are currently in discussions with major bondholders and investors over how to utilize the city of Detroit's bankruptcy to slash social programs and sell city assets, including art from the historic Detroit Institute of Arts.

Polls released over the weekend show that the overwhelming majority of the population has a position—that there should be no cuts at all—which is not supported by any faction of the political establishment.

According to a poll from the *Detroit Free Press* and WXYZ-TV, 75 percent of Detroit residents oppose any cuts to pensions. An even greater percentage, 78 percent, said they oppose the sale of any DIA art.

Orr has already hired Christie's auction house to appraise art at the DIA in preparation for selling it to art speculators to pay off the city's wealthy bondholders. He has also threatened to pay only 10 cents on the dollar for billions of dollars in unpaid pension liabilities, leading to sharp cuts in pension payments for tens of thousands of current and future retirees. Most retirees only receive \$19,000 a year, while police and firefighters get only \$35,000.

Earlier this month, Orr floated a plan to eliminate health care for retirees, replacing it with a minimal stipend for the purchase of private insurance on the Obama administration's new health care exchanges.

The emergency manager, a former bankruptcy lawyer who worked closely with the Obama administration in the 2009 restructuring of the auto industry, forced the city into the largest municipal bankruptcy in US history in July. Along with bankruptcy Judge Steven Rhodes, Orr has essentially dictatorial powers to implement wage and benefit cuts, privatize services and sell off assets.

Rhodes has set a date in late October for concluding a

trial to determine whether or not Detroit is eligible for bankruptcy. In a parallel process, city officials are holding mediation sessions with creditors aimed at striking an agreement.

Last week, Rhodes held a one-day hearing in which city residents were given three minutes each to argue against the bankruptcy. Many retirees attended and spoke against the plans to cut pensions. One asked the judge, "Who's going to prison for the proposed cruelty to retirees?"

Along with Orr, the local city government, Michigan's Republican Governor Rick Snyder and the Obama administration is heavily invested in the "restructuring" of Detroit, which is seen as a model for similar actions throughout the country.

This coming Friday, top officials for the Obama administration are coming to Detroit to affirm their support for the actions of the emergency manager and lend political legitimacy to the whole process. The meeting will involve Gene Sperling, director of Obama's National Economic Council; Attorney General Eric Holder; Secretary of Housing and Urban Development Shaun Donovan and Secretary of Transportation Anthony Foxx. They will be joined, according to the *Free Press*, by "community leaders, local nonprofit executives and elected officials."

"We're going to continue to support the efforts under way in Detroit and ensure the federal government is an active partner in supporting the revitalization of the city," Sperling said, referring to the bankruptcy process. Orr's aim is to restructure the city in the interests of the rich, opening up the downtown area to development projects headed by billionaires Dan Gilbert and Mike Ilitch, among others.

"This effort is about lifting up Detroit and committing to a shared, long-term investment that will

enable the businesses and residents in Detroit to expand opportunity and renew this world-class city,” Sterling added.

Obama administration officials have said repeatedly that they will not bail out Detroit, but they have suggested that existing programs can be “maximized” to assist Orr’s plans. Any such funds would be tied to the implementation of the pro-corporate policies the political establishment in the city and state is determined to carry out.

Late last month, Obama administration officials welcomed Gilbert and other corporate executives to the White House to discuss, according to the *Free Press*, “ways they could leverage federal aid and coordinate efforts from nonprofits and business to spur development and ensure that investments are well managed.”

The Friday summit will come two weeks after a meeting in Washington between Obama administration officials and top union executives, including United Auto Workers President Bob King, American Federation of State, County and Municipal Employees (AFSCME) President Lee Saunders, American Federations of Teachers President Randi Weingarten, and Service Employees International Union head Mary Kay.

After the meeting, trade union executives heaped praise on the Obama administration and the wealthy billionaires, including Ilitch and Gilbert, who are seeking to restructure the city. The unions fully accept the bankruptcy process and are working closely with Orr. Their principal aim is to ensure their own privileges in the process.

Regarding the art at the DIA, union officials have already declared their support for selling it.

“You can’t eat art,” said Ed McNeil, head of AFSCME Council 25, repeating the lying claim of city officials that selling art would help pay for city services. In fact, Orr and the banks that he speaks for are determined to attack culture and pensions, health care and all the rights of the working class.

The defense of culture, pensions and health care can be carried forward only through the independent mobilization of the broad mass of workers and youth, in opposition to the unions and the two parties of big business.

The Socialist Equality Party has called a

demonstration for October 4 in front of the DIA to oppose the sale of art and the attack on all the rights of the working class. For more information and to get involved, visit defendthedia.org .



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact