

“Detroit is being used as a milestone for every city”

Detroit workers, retirees oppose pension cuts

Our reporters
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The *World Socialist Web Site* spoke to firefighters and retirees on Friday about the impact of planned pension cuts announced by Detroit’s Emergency Manager Kevyn Orr.

Orr’s proposal, part of a wholesale attack on workers to pay off the city’s wealthy bondholders, will mean a freeze in pensions, the elimination of accrued benefits for all workers who have not vested, and the transfer of new workers to a defined contribution 401(k) style program. (See “Detroit emergency manager to freeze city pensions.”)

These measures will mean a devastating decline in the living standards for current and future retirees.

Eric, a young firefighter, said, “I want to keep my pension. We were told we could retire with a pension, and then midstream they change everything. They say there is no money, but then the Federal Reserve is giving the banks \$85 billion a month with this ‘quantitative easing,’” he said, referring to programs in which the Fed purchases US Treasuries and mortgage-backed securities.

“Now all of these talking heads from the [Obama administration] cabinet are coming to Detroit and bringing \$300 million. That’s just a drop in the bucket. They’re only here to save face for Obama.” Administration officials met with Orr and other city officials on Friday.

“We were guaranteed a certain amount. A lot of guys stayed on this job because of the pensions. Now they are trying to make us feel we are the cause of the city’s problems. If the Detroit government made bad investments and credit default swap deals, shouldn’t they pay for it, not us?”

“The state constitution protects our pensions, but the emergency manager and the federal bankruptcy court are trying to make the constitution null and void and

take our benefits to pay the bondholders.

“What is happening is not just happening here,” Eric added. “Detroit is being used as a milestone for every city. There has to be a real protest against this, because if they get away with it, it’s going to happen everywhere in the country.”

Commenting on the years of budget cuts, Eric said, “All the cuts in fire service haven’t only hurt the firefighters. It has also cut away the fire protection from the citizens.”

Eric also spoke about the threatened selloff of the artwork of the DIA. “They have a hidden agenda. They want to get rid of art and culture for its intrinsic value not just because it is property they can make money from. They’re taking culture away by closing museums and aquariums and cutting art and band from the schools.”

An officer at the same fire station added, “Ever since last year, coming to work has felt like getting punched in the stomach every day. We worry about our pensions and other cuts. The union and our attorneys are fighting this in court, but we don’t know what is going to happen.

“It’s going back to the days when you lived in a company house and shopped at a company store. It feels like there are going to be people marching in the streets and a revolution.”

One firefighter said in a phone interview, “I think it is wrong that they plan to cut the pensions of city workers and firefighters. I have over 20 years. How can they cut pensions when money has been paid into the system all these years?”

“Things have changed a lot in the last 10-15 years,” he added. Referring to a 10 percent pay cut imposed on city workers, he said, “I think it is closer to 23 percent if you take the pay cuts and medical cuts. For them to

cut into the retiree money, well firefighters can't get Social Security. It's a double standard. We should not lay down on what they are trying to do."

The firefighter added, "Some firefighters are saying, 'It's not going to affect me.' What they don't understand is that once it affects one, it will affect firefighters around the world. Pensions and benefits are going to be gone. They could find other ways to get the money. The big businesses that own a lot of property here, the fast food companies, the casinos, they have money.

"There is a lot of anger among firefighters. It's very stressful, especially for the ones that are still working. This is what everybody is talking about now. I don't think there should be any cuts in public service, the fire department or the water department, where they are talking about cutting jobs. I say, no cuts."

Eli, a retiree, said, "The bankruptcy itself is damaging the city. There are a total of 19 consulting firms that are advising the bankruptcy. They have spent \$14 million taken from a transition fund managed by the city, plus another \$5 million.

"Mayor [David] Bing complained that the money being spent on consultants is so high. What will it mean by 2014 if they are spending this amount now? I think the major problem is the way the money is spent. The city has \$1.1 billion of annual revenue a year. I don't see why we need a bankruptcy."

Asked what the freeze in pensions means for workers, Eli said, "It is going to mean a lower standard of living. The problem is that they are placing the economic problems on the backs of the workers.

"For me personally, I get far less than most workers who are retired. I worked at the Detroit Water Department for 30 years, but I only receive \$4,000 a year for a pension. I'm 60 years old, and I can't get full benefits until I'm 62.

"My income doesn't even reach the poverty level. However, I have to manage with what I have. I don't receive Social Security or disability even though I have diabetes and hypertension. All I receive is the \$4,000 and \$200 a month for food stamps.

"This isn't just affecting workers like myself. Children are told to get a good education, but they see all of the problems of their parents. They see how hard it is for their parents. This is not just affecting the present; it is affecting the future generations.

"There is more than enough wealth for everyone to have a higher living standard. But this is not what they want."

Speaking about the sale of city assets, Eli added, "They are our treasures. Just like the Detroit Institute of Arts, they belong to the people. I believe these assets should be shared. However, a certain class are opposed to sharing the wealth. They are so arrogant they believe they are the only ones who should have the wealth. If it were shared we would all be better off."

The Socialist Equality Party and International Youth and Students for Social Equality are organizing a demonstration on October 4 to oppose the selloff of the art at the Detroit Institute of Arts and the attack on Detroit workers. To learn more, visit defendthedia.org.



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