

Chicago mayor outlines class war budget

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On October 23, Chicago mayor Rahm Emanuel submitted a city budget proposal for 2014 consisting of cuts in health care for retirees, various tax and fee increases designed to fall almost entirely on workers, a 90-day hiring freeze, and the elimination of vacant positions. While presenting the plan to the city council, Emanuel demanded that state legislators reduce the city's obligation to fund workers' pensions, through a combination of delays and pension cuts, or he would set to work on even more draconian budget for the following year.

In a press release, Emanuel stated: "Should Springfield fail to pass pension reform for Chicago soon, we will be right back here in Council early next year to start work on the city's 2015 budget--a budget that will either double city property taxes or eliminate the vital services that people need."

Emanuel, a longtime Democratic Party operative and President Barack Obama's former chief of staff, is carrying out a campaign of social counterrevolution to bring down the living standards of workers through a coordinated attack on pensions, health care, and jobs. What is happening in Chicago closely parallels the process in Detroit, where a financial crisis has been engineered to eliminate pensions and other obligations in the bankruptcy courts.

In Chicago, the looming specter being invoked is a 2010 law that will require the city to make a \$600 million payment to city pension systems. In fact, the only reason this payment is required is due to decisions by city leaders to pay inadequate amounts into the pension systems in the first place. Those pension "holidays" and payment schedules amounted to undeclared loans against workers' pensions, and allowed the city to maintain artificially low tax rates for many years.

Emanuel's budget closes a reported deficit of \$338.7 million, \$26 million of which comes from the

beginning of what will be a complete phase-out of retiree health care benefits at the end of 2016. Monthly premiums are expected to rise precipitously for many retired workers, and at the end of the phase-out, they will be forced to seek health care coverage on the exchanges implemented through Obama's Affordable Care Act (ACA).

Throughout the year, there will also be a rolling hiring freeze for 90 days after any position deemed non-essential becomes open. Eighty open positions will also be eliminated from the city roster. Cuts will also be made at City Hall in spending on equipment, technology, and telecommunications.

The budget, which is widely expected to easily pass through the City Council, will enact a variety of tax, fee, and fine increases, which will primarily hit working people. Emanuel expects to see an increase of \$11.2 million in revenue from increased parking fines and fees from vehicle impounding. New speed cameras installed at some intersections are expected to be extremely lucrative, bringing in \$65 million to \$70 million, though some aldermen expect the actual number to be much higher.

The amusement tax, which is levied on cable television subscriptions, will increase from 4 percent to 6 percent. The tax on cigarettes will rise by 75 cents per pack, making them more expensive than anywhere else in the country.

While these increases in fees, fines, and taxes—all regressive—will be a hardship for many workers, neither Emanuel nor the City Council has proposed that Chicago's super-rich should contribute to solving the city's budget problems. Those 800 individuals with \$30 million in liquid assets and 15 billionaires could cover the deficit and the pension payments many times over.

On the contrary, it is precisely this layer of society that Emanuel and the Democratic Party as a whole

represent. Since gaining office, Emanuel has carried out an agenda worked out closely with Obama and the upper echelons of the financial aristocracy to destroy worker pensions, attack health care, and privatize anything he can get his hands on. This includes public education, which can be seen in the closure of scores of public schools and the proliferation of charter operations.

Whether pension obligations are owed to workers, contained in labor agreements or protected by the Illinois state constitution, which specifically prohibits diminishing the public employee pensions benefits, is irrelevant to the corporate and political establishment. Dismissing all of this, Emanuel said workers “have every right to be angry because there were contracts voted on,” but “things get updated all the time.” With this, Emanuel speaks with all the arrogance and contempt of the financial aristocracy, which believes that pensions and other basic necessities are not social rights but gratuities to be granted or not at the pleasure of the rich.



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