

Detroit retirees denounce pension, health care cuts

WSWS reporters
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On Tuesday, thousands of retired Detroit city workers attended a meeting at a conference center in suburban Livonia, Michigan called by the union-affiliated Detroit Retired City Employees Association.

Emergency manager Kevyn Orr and US Bankruptcy Judge Steven Rhodes have pointed to pensions and health care benefits as the main cause of the July 2013 bankruptcy filing. Terms are presently being worked out for an “adjustment plan” due to be made public later this month, which may offer as little as 10 cents for every dollar owed to Detroit’s 23,500 retired city workers.

Meanwhile, Judge Rhodes is expected to rule on a settlement that would pay major banks a “termination fee” of \$165 million. This sum is equivalent to 78 cents on the dollar, according to figures offered in court by Ambac Assurance attorney Caroline English during closing arguments of the bankruptcy proceedings.

Thousands of workers came to the Livonia meeting looking for a way to fight the unilateral cut-off of medical benefits by Orr. Using the powers granted him by the emergency manager law, Orr has ended medical benefits for city retirees, pushing those over the age of 65 onto Medicare. Those under 65 will be forced to purchase expensive insurance plans in the exchanges set up by the Obama administration’s Affordable Care Act, using a pathetically small stipend of \$125 per month. Rather than offering a strategy and means to fight these attacks, the retired employees association paraded one private medical provider after another to pitch its goods to the retirees.

Toward the end of the meeting, an attorney representing the retirees association claimed that the only option for the workers was to appeal the ruling by Rhodes that authorized the bankruptcy.

In discussions with the WSWS, retired workers,

many of whom worked for the water department, spoke out against the sham event, which one worker referred to as an “infomercial.”

“I’m angry about the DIA [Detroit Institute of Arts],” said one water department retiree. “They are trying to dismantle the entire city. There are enough questions raised about this bankruptcy that somebody has got to look into it. So much is going to the banks and so little to the people. There is some kind of corruption going on with the court taking sides with the wealthy, and not being unbiased.

“Retirees were down at the courtroom [during the bankruptcy proceedings] in their wheelchairs and walkers. It shows the greed they have to take away our pensions. Where are all the resources going?”

Chitralekha Joshi, who spent 26 years in the same department, told us, “What they’re doing stinks. It’s illegal. Everything is being put on the backs of the retirees and the workers. It is totally unfair to take our pensions and health care benefits. People put thirty years and more into the city based on the promise they would get retirement benefits. Now they are pulling the rug out from under our feet.

“The banks and other creditors are not sacrificing. This city has only been kept going, with all the budget cuts, through the work of the city workers, not the higher-ups.”

Referring to the threatened sell-off of Detroit’s water sewerage plant, Joshi said, “Look at the chemical spill in West Virginia. Look at the water privatization in Atlanta that failed. All the privatizations did was shoot the rates up.”

Joshi’s husband told the WSWS, “They are probably going to cut the benefits and the pensions. I’m not Medicare eligible and the \$125 they are giving us is probably enough to buy 1 percent of a plan. We have

no idea how we're going to cope with this."

Larry Johnson, a retired water department driver, said, "The whole thing is an illegal conspiracy. Even [former Michigan] State Treasurer Andy Dillon said the bankruptcy was 'premeditated.' [Detroit] Mayor Dave Bing was in on it too. There were no fair negotiations—it should never have gone to the bankruptcy.

"The banks were already bailed out; now they want millions more for illegal schemes they forced the city into. It seems they just keep getting away with everything. The retirees are being told to sign up for insurance in the health care exchanges. Obamacare was not what we needed, which is universal health care. It is raising rates so high that working people will not be able to afford health insurance.

"If all this money that goes to the banks went to the people of Detroit we wouldn't be in the shape we are," said Johnson.

Steven Paraski is a disabled master plumber for the city's water department. "I'm 52 and not eligible for a pension yet. I'm on total disability after being buried alive a couple of times while doing water pipe work and going through neck surgery. I went to an arbitrator in 2004 who ruled that I had suffered a career-ending injury and the city agreed to take care of me for the rest of my life. Last year, I was told, with the bankruptcy, the city did not have to honor any legal agreements. What am I going to do?

"They're trying to break their agreement but they don't break their agreements with the banks. I've been looking into this. The lawyers for Bank of America and UBS knew the revenue swaps with the city were illegal. Now they are going to paid millions of dollars anyway. How come Bank of America didn't get fined?

"The report from the non-profit organization Demos said that the amount Snyder and Orr claimed the pensions were under-funded was inflated. The banks just want to get hold of our money by robbing the Detroit pension funds.

"It's like we're going back to the 1880s or 1890s. The ratio of what a corporate CEO makes to an average worker's wage is astronomical. What do we need? An armed insurrection? A revolution? How much political influence do all of these banks and corporations have?"

Referring to the role of the union, Paraski said, "Instead of fighting what Orr is doing, this meeting has

been an infomercial for various health care businesses."

Gloria Taylor, who used to work with Detroit's senior citizens, commented, "I can't eat cake, I can't eat meat, I can't eat anything, if they cut my pension. Marie Antoinette said 'Let them eat cake,' and you know what happened to her. There's going to be an insurrection. All of these people robbing our pensions need to go to jail. The banks do criminal things and they get away with it. If a worker stole a piece of meat for his family, they'd throw him in jail. All of these people involved in the bankruptcy are suspect."

Glenda, a retired city worker in income tax collection, told the WSWS, "Keep your hands off our pensions! I've worked 27 years for the city. The last 10 to 15 years all we did was take pay cuts. We have already paid our dues. We are the working people.

"How are we supposed to live? [Michigan Gov. Rick] Snyder already taxed our pensions, and now they're trying to make us cough up money to buy our own health care. They're not offering anything for retirees under 65 years. They're trying to dump us like basketballs. We can't afford the co-pays. They're pulling us apart at the seams.

"I worked all these years so I could have a comfortable retirement. I'm trying to take care of a son with special needs, and now they want to take away the small amount we've got.

"What they're doing in Detroit is going to set a precedent for the whole world," Glenda said.



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