

Workers World Party uses demagoguery to conceal unions' collusion in Detroit bankruptcy

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A Martin Luther King Day march was held in Detroit Monday, concluding with a rally at Central United Methodist Church. The event, chiefly organized by the Workers World Party, aimed to provide a political smokescreen to conceal the role of the Democratic Party and the trade unions in collaborating with Emergency Manager Kevyn Orr and the bankruptcy court in their attacks on the working class.

It was a semi-official Democratic event. The main speakers were former Detroit City Councilwoman JoAnn Watson and long-time US Congressman John Conyers. It had the official backing of the Metropolitan Detroit AFL-CIO and the United Auto Workers union (UAW).

Only a couple hundred people participated, underscoring the hostility of the unions and their fake-left allies such as Workers World to a genuine mobilization of workers to fight the bankruptcy.

Since Orr, the non-elected frontman for the banks, threw Detroit into bankruptcy last July, the American Federation of State, County and Municipal Employees (AFSCME), the other city unions and the UAW have not organized a single significant demonstration, let alone walkout, against the attack on the jobs, pensions and health benefits of 30,000 current and retired city workers.

The unions fully accept the framework of the bankruptcy—that the working class must pay for a crisis it did not create. They are looking only to defend the income and institutional interests of the union executives in closed-door talks with Orr and other officials.

In their legal challenge to the bankruptcy, the unions have complained that Orr rebuffed their offer to hand

over hundreds of millions of dollars in concessions and insisted they never sought more than a “seat at the table” with the emergency manager and city creditors. AFSCME and the other unions have joined with bondholders and creditors to demand that the city sell off the masterpieces of the Detroit Institute of Arts (DIA) to protect the multi-billion-dollar retiree investment funds the unions oversee.

The Workers World Party is a pro-Stalinist organization that has long defended the union bureaucracy against the working class. After years of cultivating the closest ties with the African American political establishment, the organization has been thoroughly integrated into the union apparatus and the Democratic Party.

Abayomi Azikiwe, a leading Workers World member, chaired the event, welcoming Councilwoman Watson and Congressman Conyers to the platform.

Watson set the reactionary tone of the meeting by presenting the bankruptcy as a “racist attack” by white Republican outsiders seeking to take over a majority African American city. “Let’s move racism out of Michigan,” she shouted, claiming appeals to the Obama administration would defend minority workers in Detroit.

Watson declared that the Republican “Tea Party” faction is “the only regime” running Michigan’s affairs, ignoring the fact that Michigan Governor Rick Snyder relied on the Democratic Party to ram through the bankruptcy. Top Democrats involved in the political conspiracy include former State Treasurer Andy Dillon and former Mayor David Bing.

Watson’s own City Council, which slashed thousands of city worker jobs, had argued that it could do a more

thorough job of budget-cutting than an “outsider.” In so far as it opposed the state takeover, it was only because the Democratic Party establishment for which Watson speaks wanted its own cut from the carve-up of the city.

As for the Obama administration, last week’s visit to the city by Vice President Joe Biden was used to reiterate that there would be no federal bailout of the city, in contrast to the hundreds of billions extended to rescue the Wall Street banks and auto corporations. The Obama administration, which filed a motion in the bankruptcy court to defend Orr against legal challenges by retirees, has sought to use the bankruptcy of Detroit as a test case for a nationwide attack on public employees.

Watson lavished praise on the trade unions, saying, “We are here because of the union movement,” admitting more than perhaps she wanted to. She then warmly introduced Jerry Goldberg, a leading WWP member, declaring him to be her “favorite attorney.”

Goldberg focused his remarks on last week’s decision by Bankruptcy Judge Steven Rhodes rejecting a settlement reached by Orr to pay Bank of America and Swiss-based UBS \$169 million to end interest rate swap deals they foisted on the city in the mid-2000s. Rhodes instructed Orr to renegotiate the terms of the settlement and to give the banks less.

Goldberg called the ruling “an unprecedented victory for the people.” Workers World’s Moratorium Now Coalition declared in a leaflet that the decision “shows we can win the fight to stop the looting of our city by the banks, corporations and contractors employed by Orr and Snyder.”

Here Goldberg was speaking directly as a mouthpiece for the union officials, who saw the ruling as favorable to their efforts to work out an arrangement with Orr to protect their own interests within the framework of the bankruptcy process.

In his ruling, the judge admitted that the swap deals were very likely illegal, but insisted nevertheless that the banks be paid off. His ruling was motivated by a desire to confuse and dissipate public opposition to the bankruptcy while bringing the unions more directly into the process of imposing attacks on city workers and the population as a whole.

This strategy includes a court-initiated plan to get private foundations, the Snyder administration and the DIA to come up with hundreds of millions of dollars to

bolster the union’s retiree trust fund, a source of income and sinecures for the union apparatus. Rhodes knows that once the right amount to buy off the unions is found, AFSCME, like the UAW in the 2009 GM and Chrysler bankruptcies, will throw its full weight behind the banks’ looting of the city.



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