

Detroit retirees denounce attack on pensions, health care

Our reporting team
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One of the chief targets of the Detroit bankruptcy are the 23,500 retired city workers whose pensions and health care benefits are being slashed to pay off Wall Street banks and other financial institutions.

While handing hundreds of millions to the financiers who entangled the city in interest rate swaps and other criminal and semi-criminal deals, Detroit Emergency Manager Kevyn Orr has threatened to pay as little as 16 cents on the dollar for the billions the city owes to the retiree pension funds.

Orr has already exercised the authoritarian powers conferred upon him by the emergency manager law to kick retirees off of their health plans, forcing over-65s onto Medicare while offering a \$125 monthly stipend to under-65s to buy private insurance on Obama's medical exchanges.

In the face of this the unions are engaged in intense, behind-the-scenes negotiations under the auspices of a court-appointed federal mediator to reach an agreement that would be incorporated into Orr's "adjustment" or restructuring plan. A so-called Grand Bargain, involving funding from the state government, wealthy private foundations and the Detroit Institute of Arts, is being floated to "rescue" the pensions and the DIA.

In reality, any such deal would only "soften the impact" of massive pension cuts and hand control of the art museum's priceless collection to private foundations. The real aim is shoring up the support of the American Federation of State, County and Municipal Employees (AFSCME) and other unions for the pro-corporate restructuring of the city, to be accomplished on the backs of working people.

For the second week, hundreds of former city workers attended meetings of the Detroit Retired City Employee Association. The union-controlled association offered no perspective to fight the attacks on health care

benefits, and instead handed over the meeting to various health care businesses to sell their insurance plans to retirees.

In contrast, retirees expressed their anger over the looting of their pensions and health benefits.

Donna, a retired Librarian, told the WSWWS, "I worked for 30 years. I don't think they should take them from us after we worked hard for our pensions. What is going to happen to other cities that are in the same bind we are in? Are they going to declare bankruptcy?"

The daughter of a Detroit pensioner came down on her mother's behalf. "My mom is 98-years-old. She can't be here. My father worked for the city and she now has the benefits. It is frightening for her. She can't see well or hear well.

"My mother only gets \$470 a month on her pension. Her health care was taken care of. Now if she wants dental it comes out of her pension check. We are going to do a Blue Cross PPO. She will only get \$400 a month, that is if her pension check keeps coming."

Bob, a retiree from the Water Department, added, "The emergency manager is forcing us onto Obamacare. I will be paying four times what I am paying for health care now. All these other cities are looking at Detroit. Chicago's pension situation is three times as bad; the same thing in Los Angeles. They are using us in Detroit as a guinea pig to see what they can get away with in screwing the working guy who paid into retirement for years."

Dino Wright, who retired from the city's Housing Department after 28 years of service, said, "They want us to live in a cardboard box on the Lodge Freeway. But they'll give us a choice: the one-story 'house' will be a stove box and the two-story a refrigerator box!

"Everything is for the banks—it's not right. While I

was working for the Housing Department, they tore down public housing to make room for big casinos.”

William Franchy worked in payroll for the Department of Transportation. “For a lot of people, their pension is their only source of income, perhaps with a little Social Security. I feel sorry for them. They haven’t told us anything. They haven’t come up with a figure at all. Nobody knows what to expect. I get treatments every eight weeks that cost \$5,000. And they are still going to be putting a 20 percent co-pay on top of that.”

Rosemary Grzywacz, declared “They’re trying to take all our resources. I get \$1,000 a month for my pension. If they take this, I will lose my home—everything!”

She showed WSWS reporters a copy of her letter published in the *Macomb Daily* newspaper, which stated in part, “Why do we have a constitution established by the people? It is becoming one useless paper when the governor can hire a hatchet man and steal from Detroit residents, their workers and now their retirees. The pension was a promise, something like a vow and the people worked for the City of Detroit because they thought they were protected by the Constitution.

“I have been watching this closely since I am a retiree of the City of Detroit and I have seen the governor steal Belle Isle, taking it in his control and not paying for the land that was rightfully Detroit’s. Now I am seeing that he is planning on giving the DIA to some foundation for a bargain price of a few hundred million dollars.”

Referring to Orr, her letter continues, “The hatchet man is earning more than \$200,000 for his work. If I could get \$200,000 I might be able to live for the rest of my life since I am elderly and ill... Where are they getting the money to pay their salaries? There is some income that should be guaranteed from the Water Department, the Bus System, income taxes, property taxes and a special millage from the suburbs supposedly for the DIA. How can that justify bankruptcy?

“I question all of this because nothing has been given to the public to answer these questions.”

Patricia Kloss said, “My husband worked for the city for 33 years. I’m a widow. He was a tree trimmer and then worked as a supervisor maintaining the city’s golf courses. He pounded it into my head that I would be

taken care of and no matter what I would have his pension. And now, they want to throw it down the toilet. You work your whole life and they want to dump the retirees. It’s disgusting. What they’re trying to do to us in Detroit is a test case for all over the country.”

Richard Smith, Jr., who worked for the city for 25 years, added, “This is not what I was told when I hired in. I was a mechanic. I worked on my back, worked in snow and in slush all those years. Why did I do all that? I was told I’d have a pension. We’re not exactly pensioners walking around with pockets of money! Detroit is the poster child for communities all over the country. I heard about the report of 85 people having more wealth than three-and-a-half billion people. There are just two classes of people—the haves and the have-nots.”



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