

Detroit retirees denounce bankruptcy plan

Our reporters
16 July 2014

Retired Detroit city workers and supporters attended a hearing of the US Bankruptcy Court presided over by Judge Steven Rhodes on Wednesday. During the session, several dozen retirees were given five minutes apiece to speak in opposition to the plan of adjustment proposed by Detroit Emergency Manager Kevyn Orr. The plan savagely attacks pensions while at the same time forcing nearly 5,000 retirees to pay close to half billion dollars in a so-called “clawback” of earnings they received from annuity savings accounts.

The trial on Detroit’s plan of adjustment formally opens on August 14. The purpose of the hearing was to give a democratic veneer to this utterly undemocratic process, which aims at slashing pensions, jobs and benefits and the selling off of public assets to satisfy the demands of Wall Street.

Retirees and their spouses outside the federal courthouse spoke to reporters from the *World Socialist Web Site*. Joanne Jackson, whose husband is a retired boiler operator, said, “I am against the plan of adjustment 100 percent. They have already cut our healthcare and now they are taking our money.

“My husband retired in 2000. He has been on dialysis for 10 years. One prescription charges \$600 for one pill. We were paying just \$2 for prescriptions.

“The working class people who worked for the city of Detroit put their money into the pensions. The city didn’t give them anything. They are lying to the people. Once they destroy Detroit they’ll do it to the whole United States. They will do it in Chicago, in Alabama, all over.”

Joanne said she felt the court hearings were mostly for show. “The judge has already made his mind up. This is just a formality to make the people think they have a voice. You have to put your thinking cap on and see behind it.

“I don’t care who you elect, there is no one for the working class of people. Some same it is all about race.

It is not about race at all. It is about the almighty dollar.”

Joanne said she was appalled by the policy of mass water shutoffs being carried out by the city. “I think it is inhumane. Water should be free. Period. It is not about people, it is about the politicians.”

Steve Leggat, a retiree with 30 years in the building and safety department, said he was disgusted by the attacks being carried out on retirees. “My pension is already reduced because my pay was cut. They paid me for 35 hours a week and expected me to work 65 hours a week. I did my share. It was all free labor.

“Not a lot is being said about the ‘clawback’. Why are they saying we have to pay the money back? When contractors overcharged the city, the judge didn’t say they had to pay that money back. They didn’t take back the bonuses they paid Wall Street.

“I will be paying back the money all of my life. That should be illegal. There was an obligation made by the city. It was supposed to be self-insured.

“They are already talking about the city being in a recovery because they have eliminated the city’s debt. If they are ‘recovered’ why can’t they uphold their obligations?”

Art Vardian, another retiree, said, “What really irks me is that Kevyn Orr recommended that the City Council and the mayor get a raise. Where is the money coming from?

“Look at how much the Jones Day law firm has received since it has been here. That Grand Bargain was nothing but a sham. The state gave Detroit money that it should have received in revenue sharing.”

Evelyn, a water department worker, said, “This whole thing is outrageous. This is not about the pensions being underfunded. There is money to cover our benefits when we retire. And this whole ‘recoupment’ of money from our retiree saving accounts is illegal. We put our money into that and they say they paid out

excessive interest to us.

“The unions are bought off with the VEBA and all these deals they are making. At the same time as the city is supposedly broke and we are giving up pensions and health care, the Mayor, the City Council are all getting raises and millions are being paid to Orr and the Jones Day law firm.”

Before testifying before Judge Rhodes, a retired water worker said, “I feel like we’re lambs going to slaughter. We are going have something like the movie *Elysium* in Detroit, where it’s the working class against the super-rich. It doesn’t matter if we have a Democratic president, he hasn’t come to help anyone in Detroit.”

Another worker said, “It’s all going to the banks and Wall Street. They are doing better than ever with the stock market way up. This is a worldwide effort to get rid of the middle class. The corporations are the new aristocracy.”

A retired Water Department worker, William Davis, said he was opposed to the plan of adjustment and the bankruptcy. “I think the plan is full of crap. They are too easy on the banks and too hard on the common people.

“No matter what happens I am going to keep fighting. I don’t agree with any of the policies of the Emergency Manager.”

Penny Logan came to the court because she has a retired sister whose pension was impacted by the cuts. “I’m unemployed with three degrees. I came to the court session because I don’t like what they are doing at all.”

“I came especially because I don’t like the plan of adjustment.” Penny said her sister worked for the city for 32 years and now she has to live with major cuts to her health care and pensions.

“It isn’t right. They think everybody can’t read and understand figures,” continued Penny, referring to how the debt used to justify the bankruptcy was inflated. “The people like my sister put a lot into the city of Detroit. This is no way to treat them.”



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact