

Detroit mayor employs damage control as city prepares to resume water shutoffs

Thomas Gaist
13 August 2014

Detroit Mayor Mike Duggan announced a “10-point plan” last week, which he claims will slow the rate of water shutoffs and provide greater financial assistance to families facing the loss of their service.

During a press conference promoting the new policy, Duggan voiced the concerns of the political establishment that the shutoffs were stoking up class tensions in the city to dangerous levels. The mayor echoed US Bankruptcy Judge Steven Rhodes who complained last month that anger over the brutal policy could combine with opposition to cuts in city worker pensions and derail implementation of the city’s restructuring plan. This prompted the city to announce a 15-day “pause” in water shutoffs that has now been extended to August 24.

The water shutoff policy promoted by Emergency Manager Kevyn Orr, Duggan said, had produced “a very emotional few weeks in this town, as everybody knows.” He added, “The way this has been handled has not reflected well, but we’re not dwelling on what happened before.”

While distancing himself from the deeply hated Orr, Duggan, who made his fortune as a ruthless “turnaround specialist” at the Detroit Medical Center, fully backs the looting of pensions and other public assets to pay off the Wall Street banks that control the city’s debt. Part of this plan includes the shutoff of basic utilities, including water and electrical service, to whole areas of the city deemed too poor to pay, and the privatization of the municipally owned Detroit Water and Sewerage Department (DWSD).

Examining the content of Duggan’s 10-point plan, it becomes clear that the scheme is actually geared to increase the efficiency of the shutoff strategy, which aims to terrorize residents into diverting what little they have budgeted for food, medical and other essential

needs to keep their water on.

By offering payment plans, providing free parking at payment centers, and streamlining the administrative procedures associated with turn-on, Duggan is seeking to bring the thousands of residents currently living on a fiscal knife’s edge back into the payment system, thereby making them reliable sources of revenue for DWSD, and by extension, the big banks, which control billions in water department bonds and want the system privatized.

The mayor admitted as much in comments during the joint press conference where he was joined by the head of the Detroit Branch of the National Association for the Advancement of Colored People (NAACP) Rev. Wendell Anthony, United Way CEO Michael Brennan and City Council President Brenda Jones. “We truly think we’re in a situation now where if you want to pay your bill, we’ve made it easier,” Duggan said.

Various groups, including the Michigan Welfare Rights Organization, and middle class “left” organizations like the Workers World Party and its Moratorium Now! group, have sought to get the DWSD and Mayor Duggan to accept their “water affordability” plan. Their proposals completely accept the continued milking of massive amounts of wealth out of the water system by the Wall Street banks, which take 50 percent of DWSD revenues in the form of debt servicing payments.

National Action Network president Rev. Charles Williams II praised the plan as a “step in the right direction,” saying “we applaud the mayor for raising money.” However, he said, “The center of the problem is still affordability.”

In fact, part of Duggan’s proposal includes an “affordability” plan, which supposedly makes it easier for residents to have their service turned back on after

their water was shut off. Under Duggan's plan, a "10/30/50" schema will charge residents 10 percent of their overdue balance as a condition for water turn-on, instead of the 30 percent normally charged. If further payments are missed, however, the turn-on fee will increase to 30 percent for the first time and then to 50 percent of the outstanding bills. This is in addition to the regular maintenance of the current bill.

As NAN, the NAACP, the City Council and other establishment forces promoting Duggan's plan are well aware, the big banks and corporations have no intention of making water more "affordable." On the contrary, they are determined to squeeze every potential penny out of the Detroit working class, and view the shutoffs as a highly effective means to accomplish this end.

Duggan reiterated the lie that the customers paying their bills were essentially subsidizing those who didn't by paying higher rates. "Right now it is other Detroiters paying for it [the water used by those behind on their payments]," Duggan said.

In fact, water rates have risen this year by 8.7 percent—a move approved by the supposedly "compassionate" Democrats who run the City Council—are set to increase by the same rate in each of the next four years, according to the city's Plan of Adjustment bankruptcy proposal.

Notably, Duggan took time to rebut the argument that water should be a guaranteed social right, freely available to all residents regardless of ability to pay. "When someone says water should be free, I don't know how to filter water and pipe it to somebody's house at no cost," Duggan said.

That Duggan felt compelled to address remarks to unnamed advocates of "free water" points to the impact of the struggle waged by Socialist Equality Party and *World Socialist Web Site* against the shutoffs. Only the SEP and the WSWs defend unequivocally the absolute right of all residents to this most elemental necessity regardless of their employment and financial status.

SEP interventions around the city and numerous articles posted on the WSWs have insisted on the need to build mass movement of workers, independent of the pro-capitalist trade unions and the Democratic Party, in opposition to the shutoffs, the bankruptcy process, and the entire framework of the capitalist profit system from which they arise.

Of course, never mentioned by Duggan or the rest of

the "scofflaws should pay for their water" crowd is the fact that the large corporations—including General Motors and Chrysler—and ultra-wealthy individuals owe large amounts of unpaid water bills to the city.

Rather than being forced to pay or having their services shutoff, however, the capitalist elite receives massive transfer payments from the government every year, in a variety of forms. Even while Detroiters are being shutoff for \$150 in unpaid water bills, "bankrupt" Detroit is handing over millions upon millions to the most powerful corporations. The city of Detroit provides subsidies of \$20 million per year to companies including DTE Energy, Quicken Loans, Comerica Bank, and Rock Ventures. In addition, the city is handing over for a song billions of dollars worth of real estate to speculators like Dan Gilbert, while mega-billionaire Mike Ilitch receives a quarter of billion in state subsidies to build a new hockey stadium and entertainment district.

Duggan announced that the temporary "pause" will end and shutoffs will resume in full force on August 25 just days after Judge Rhodes' confirmation hearing on the Plan of Adjustment is set to begin. In addition to unconstitutional cuts to city worker pensions and a 90 percent reduction in payments for city worker health benefits, the plan provides for further attacks on water department workers.

In his comments last week, Wendell Anthony expressed the enthusiastic support of the NAACP for the Duggan administration, saying, "We are supportive of this step going forward. Today reflects a major step in the right direction between the city leadership and the community."

Anthony's banalities about the "city leadership" and the "community" cover over the sinister class warfare agenda behind the bankruptcy process and the shutoffs. In reality, the "city leadership" is little more than a corporate-financial clique and their political servants, which are seeking to impoverish the workers and poor residents of the city to further enrich themselves.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact