

Atlantic City, New Jersey casino workers arrested at protest over slashed benefits

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10 October 2014

Police arrested nearly two dozen casino workers in Atlantic City, New Jersey on Wednesday after they sat down and blocked traffic. Nearly 800 Casino workers, members of Unite Here Local 54, were protesting proposed draconian cuts to their health and pension benefits.

Trump Entertainment Resorts, which owns the Taj Mahal casino, filed for bankruptcy in September and is seeking the court's permission to end workers' health benefits and force them to purchase health insurance under the Affordable Care Act (Obamacare). The company is also seeking to replace pensions with 401(k)s. Many of the workers facing these cuts earn \$30,000 or less annually. If the company does not receive these concessions, it threatens to close down the casino, leaving over 1,000 jobless.

The protest took place near Atlantic City's Tropicana casino, owned by billionaire investor Carl Icahn. Icahn has offered to loan the Taj Mahal \$100 million "if and only if" he receives substantial concessions from the workers, steep tax breaks from Atlantic City as well as \$25 million in other incentives from the state.

On Thursday, the union proposed that the company reduce its pension contributions.

Ichan is also seeking similar concessions from workers at the Tropicana casino, which he purchased in 2010 for \$200 million.

Ichan, whose economic activity defines the term "vulture capitalist," has made billions buying companies on the cheap and laying off thousands of workers. Known as one of the pioneers of leveraged buyouts in the 1980s, he is notorious for his takeover of TWA. He is now intervening in a number of tech firms including Netflix, Dell, eBay, and Apple.

Workers at Wednesday's protest held signs with images of Ichan that read, "Billionaire picking over our

bones."

Trump Plaza was opened in May 1984 at a cost of \$210 million. It was one of billionaire Donald Trump's pet projects. He has since drastically reduced his financial holdings in casinos, indicating the precarious nature of such investments.

The casino has suffered a severe reduction in revenue in recent years. State data reveal that the resort casino had booked less than half of its rooms during the first quarter of the year and had the lowest gaming income of any of the city's establishments in May. Year-to-date, its revenues are down 27 percent from the same period last year. As the closures of three other casinos demonstrate, the decline of this facility is not an isolated case, but signals a broader trend.

With four of its 12 casinos closing In the last year, the gaming industry has all but collapsed in Atlantic City, which, at its peak in 2007, was worth over \$5 billion. Nearly 13,000 jobs have been lost, and the unemployment rate now stands at over 12 percent in the city of 40,000.

The decline of the casinos was largely caused by the impact of the recession after 2008 and the liberalization of gaming laws in the East Coast of the US. Nearly 30 competing casinos have opened up in recent years in Delaware, New York and Pennsylvania. Since the 1970s, Atlantic City had almost monopolized the gaming industry on the East Coast.

In June, the credit rating agency Moody's downgraded the value of the city's municipal bonds to junk status. This year, under the leadership of the liberal Republican mayor Don Guardian, the city has raised taxes 47 percent, causing great hardship for working class homeowners. The city plans to cut \$10 million a year from its spending over the next four years.

Many observers are forecasting a wave of home foreclosures in the area in the coming year.



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