

City workers denounce Detroit bankruptcy ruling

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The official approval of the Detroit bankruptcy plan has evoked anger and disgust among city workers. The landmark ruling by federal bankruptcy judge Steven Rhodes on November 7 opens the way for massive attacks on retiree pensions in violation of the state constitution and the wholesale privatization of city assets. Health care benefits have already been virtually eliminated for retirees.

The ruling is the outcome of a process in which democratic procedures were suspended and the city placed under a *de facto* financial dictatorship. Overseeing the process has been Detroit Emergency Manager Kevyn Orr, installed under terms of an anti-democratic law overturned by Michigan voters in a 2012 referendum.

The imposition of cuts previously considered impossible was facilitated by the collaboration of the unions, particularly the American Federation of State, County and Municipal Employees (AFSCME), which blocked the mobilization of the working class against the assault on workers and retirees. The unions backed the bankruptcy plan in exchange for control of a half-billion dollar retiree health care trust fund.

A *World Socialist Web Site* reporting team visited the Detroit Waste Water Treatment Plant (DWWTP) at shift change this week to get the reaction of city workers to the bankruptcy plan. In contrast to the official celebrations of the deal by the Democratic and Republican officials and the big business media, city workers expressed bitterness and opposition to what amounts to the rape of Detroit by the banks and big bondholders.

Nate McKinney told the WSWWS, “[Michigan Governor] Rick Snyder said he would like to thank the stake holders in the bankruptcy. I said, ‘isn’t that a bitch.’ They know they carried out the bankruptcy on

the backs of the retirees and workers in the city. There was nothing noble about it.

“We are taking a hit on pensions. Our work rules are out the window. They come in here with new rules, but they don’t increase what you are being paid.

“The pilot program they implemented here is an abysmal failure. The plant is in greater disarray than one year ago. They have been violating the law for the longest time. The plant can’t stay in this condition and be operable by next summer.

“I place all the blame for this at the feet of [AFSCME Council 25] President Al Garrett. I am very disappointed in the role of AFSCME.”

The Detroit Water and Sewerage Department, the city’s most profitable asset, is being eyed for privatization. The first step in that direction was the creation of a regional water authority, whereby the city will lease pipelines servicing suburban communities for 40 years. The city has meanwhile contracted a private water company, Veolia North American—affiliated to a huge French private water conglomerate—to “streamline” the water department and prepare for its likely privatization.

Carine Stewart, a DWWTP worker with 17 years, said, “I honestly don’t think I am going to be here much longer. They are going to get rid of us.

“I keep asking myself, how did they get away with it? Everything they did was illegal.”

Tanya Glover, a plant worker with 12 years, commented on the celebrations in the media over the bankruptcy. “That’s their agenda, of course they are going to say it is great. They are taking our annuities and pensions. It just won’t quit.

“It is quite simply a dictatorship. We vote against the emergency manager and Snyder comes in and does it anyway.”

Referring to conditions at the plant, she said, “They have changed the work rules so that when you are tardy two days in a six-month period it goes on your record for 36 months. It was 14 months. That was long enough. Then they took 10 percent away from our wages.

“[Water Department Director] Sue McCormick said ‘embrace the chaos’ in her newsletter. All those people --[Governor] Snyder, [Detroit Mayor] Duggan, [Emergency Manager] Orr--they are just saying ‘see much how we can do to Detroit now that we have got our hands on it.’”

Tanya also referred to the so-called claw back that forces retirees to give back hundreds of millions of retirement annuity savings to the city. “How do you just come and take back money from my annuity? You are the ones that came up with the numbers in the first place.”

Another DWWTP worker, Keith Luszczyński, said, “Our portion of the pension was funded by the water department. It was not broke. In any event, public employee pensions are supposed to be protected by the state constitution.

“They are attacking everything here. They are stretching out the probation period from 90 days to one year. They are building a pellet plant across the street that won’t be run by a single city employee. There is a rumor that our ex-plant manager has ties to it along with this wife.

“We are being used as a poster child for the nation. Now they are attacking workers everywhere.’

The WSWs also spoke to Mashuk Meah, a retired water department employee. “All I do is end up getting very upset,” he said. “My medical payments are tearing me apart. It is eating up all of my savings.”

The retiree said he owed \$22,000 towards the claw back and that his two brothers, also city retirees, owed \$90,000 and \$100,000 respectively. “With the 4.5 percent cut to my pension, the cost of living gone and 6.75 interest on the claw back payment it seems to me that it is all a farce.

“How could Judge Rhodes cut our cost of living payments when he knows prices are going up every year? The banks were basically made whole. The only ones who are suffering are the retirees and other working people.

“We are going to have a civil war in this country.

People aren’t going to let the one percent rule them. We don’t have any choice.”



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